

taxes held before the Committee on Ways and Means; with an amendment (Rept. No. 1545). Referred to the House Calendar.

Mr. LECOMPTE: Committee on House Administration. House Concurrent Resolution 142. Concurrent resolution authorizing the printing of additional copies of parts 4 and 5 of the hearings relative to revenue revisions, 1947-48, held before the Committee on Ways and Means; without amendment (Rept. No. 1546). Referred to the House Calendar.

Mr. BISHOP: Joint Committee on the Disposition of Executive Papers. House Report No. 1547. Report on the disposition of certain papers of sundry executive departments. Ordered to be printed.

Mr. DONDERO: Committee on Public Works. S. 1306. An act relating to the construction and disposition of the San Jacinto-San Vicente aqueduct; without amendment (Rept. No. 1548). Referred to the Committee of the Whole House on the State of the Union.

Mr. BROWN of Ohio: Committee on Rules. House Resolution 499. Resolution providing for consideration of H. R. 5470. A bill to repeal subsection (b) of section 3 of the act of December 30, 1947; without amendment (Rept. No. 1549). Referred to the House Calendar.

Mr. BROWN of Ohio: Committee on Rules. House Concurrent Resolution 155. Concurrent resolution to continue the Joint Committee on Housing beyond March 15, 1948, and for other purposes; without amendment (Rept. No. 1550). Referred to the House Calendar.

Mr. WELCH. Committee on Public Lands. H. R. 5122. A bill to amend section 9 of the act of August 24, 1912 (37 Stat. 512); with an amendment (Rept. No. 1551). Referred to the Committee of the Whole House on the State of the Union.

#### PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. DONDERO:

H. R. 5795. A bill to authorize the construction of a courthouse to accommodate the United States Court of Appeals for the District of Columbia and the District Court of the United States for the District of Columbia, and for other purposes; to the Committee on Public Works.

By Mr. CASE of South Dakota:

H. R. 5796. A bill relating to the functions of the General Accounting Office under the Contract Settlement Act of 1944; to the Committee on the Judiciary.

By Mr. DURHAM:

H. R. 5797. A bill to authorize the Federal Works Administrator to transfer and convey certain property to the city of High Point, N. C.; to the Committee on Public Works.

By Mr. POULSON:

H. R. 5798. A bill increasing the immigration quotas for Italy; to the Committee on the Judiciary.

By Mr. YOUNGBLOOD:

H. R. 5799. A bill to amend section 13 of the Surplus Property Act of 1944, as amended, to provide for the disposition of surplus real property to States, political subdivisions, and municipalities for use as public parks, recreational areas, and historic-monument sites, and for other purposes; to the Committee on Expenditures in the Executive Departments.

By Mr. CUNNINGHAM:

H. R. 5800. A bill to appropriate \$800,000 for the construction of a building at Knoxville, Iowa; to the Committee on Appropriations.

By Mr. LANE:

H. R. 5801. A bill to authorize the payment of employees of the Bureau of Animal Industry for overtime duty performed at establishments which prepare virus, serum, toxin, or analogous products for use in the treat-

ment of domestic animals; to the Committee on Post Office and Civil Service.

By Mr. MULTER:

H. R. 5802. A bill to provide for the proper administration of laws providing relief and other benefits to former member of the armed forces of the United States and to the dependents of deceased former members of such forces; to the Committee on Veterans' Affairs.

By Mr. TAYLOR:

H. R. 5803. A bill relating to the extension to transferors and transferees in nontaxable reorganization of unused excess-profits credit carry-overs, and for other purposes; to the Committee on Ways and Means.

By Mr. ALBERT:

H. R. 5804. A bill to authorize the Director of the Census to furnish information to individuals for certain purposes without charge; to the Committee on Post Office and Civil Service.

By Mr. BLACKNEY:

H. R. 5805. A bill to extend the time within which application for the benefits of the Mustering-Out Payment Act of 1944 may be made by veterans discharged from the armed forces before the effective date of such act; to the Committee on Armed Services.

By Mr. COOLEY:

H. R. 5806. A bill to extend veterans' preference benefits to the fathers of certain ex-servicemen and ex-servicewomen; to the Committee on Post Office and Civil Service.

By Mr. ELLIOTT:

H. R. 5807. A bill to amend the Hospital Survey and Construction Act; to the Committee on Interstate and Foreign Commerce.

By Mr. KLEIN:

H. R. 5808. A bill to continue on a permanent basis a system of nurseries and nursery schools for the day-care of school-age and under-school-age children in the District of Columbia; to the Committee on the District of Columbia.

By Mr. MILLER of Nebraska:

H. R. 5809. A bill to provide for the treatment of sexual psychopaths in the District of Columbia, and for other purposes; to the Committee on the District of Columbia.

By Mr. PHILLIPS of Tennessee:

H. R. 5810. A bill to provide pensions for veterans of World War I; to the Committee on Veterans' Affairs.

By Mr. TWYMAN:

H. R. 5811. A bill increasing the immigration quotas for Italy; to the Committee on the Judiciary.

By Mr. HAGEN:

H. J. Res. 347. Joint resolution to authorize the Postmaster General to withhold the awarding of star-route contracts for a period of 60 days; to the Committee on Post Office and Civil Service.

By Mr. HARRISON:

H. J. Res. 348. Joint resolution to provide for the maintenance for public use of certain highways in the Shenandoah National Park; to the Committee on Public Lands.

By Mr. HESS:

H. Res. 498. Resolution inquiring into the sinkings and damage done to United States Army transports; to the Committee on Armed Services.

#### MEMORIALS

Under clause 3 of rule XXII, memorials were presented and referred as follows:

By the SPEAKER: Memorial of the Legislature of the State of Virginia, ratifying the proposed amendment to the Constitution of the United States relating to the terms of office of the President; to the Committee on the Judiciary.

#### PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII,

Mr. KLEIN introduced a bill (H. R. 5812) for the relief of Alberta Manna, which was referred to the Committee on the Judiciary.

#### PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

1522. By the SPEAKER: petition of Mrs. Nora Kinney and others, petitioning consideration of their resolution with reference to passage of S. 265; to the Committee on Interstate and Foreign Commerce.

1523. Also, petition of the secretary, Fraternal Order of the Odd Fellows of Puerto Rico, petitioning consideration of their resolution with reference to the colonial status of Puerto Rico; to the Committee on Public Lands.

1524. Also, petition of Mrs. William Marcus, Orlando, Fla., and others, petitioning consideration of their resolution with reference to endorsement of the Townsend plan, H. R. 16; to the Committee on Ways and Means.

1525. Also, petition of Arthur J. Bowen, Cassadaga, Fla., and others, petitioning consideration of their resolution with reference to endorsement of the Townsend plan, H. R. 16; to the Committee on Ways and Means.

1526. Also, petition of Mrs. Mary E. Duxbury, St. Petersburg, Fla., and others, petitioning consideration of their resolution with reference to endorsement of the Townsend plan, H. R. 16; to the Committee on Ways and Means.

1527. Also, petition of Ruey E. Collins, St. Cloud, Fla., and others, petitioning consideration of their resolution with reference to endorsement of the Townsend plan, H. R. 16; to the Committee on Ways and Means.

## SENATE

THURSDAY, MARCH 11, 1948

(Legislative day of Monday, February 2, 1948)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

The Chaplain, Rev. Peter Marshall, D. D., offered the following prayer:

O Christ, who givest peace to every believing heart, bestow that gift upon us now, for we are troubled and uneasy. Events in our world take away our hope and shatter our peace. We need to be reassured that peace is still possible and that God's will shall yet be done upon the earth.

We believe that God's judgments are sure and altogether right, but we do wonder how long Thou wilt suffer godless men to defy Thee and to destroy the dreams Thou hast planted in human hearts. May we trust, not in bombs, however powerful, but in Thee, in Thy might, in Thy love, in Thy plan, and in our secret weapon, the prayers of them that love Thee. Through Jesus Christ our Lord. Amen.

#### THE JOURNAL

On request of Mr. WHERRY, and by unanimous consent, the reading of the Journal of the proceedings of Wednesday, March 10, 1948, was dispensed with, and the Journal was approved.

#### MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Chaffee, one of its reading clerks, announced that the House had passed the following bills, in which it requested the concurrence of the Senate:

H. R. 2744. An act to provide for the elimination of Regular Army and Regular Air

Force officers and for the retirement of officers, warrant officers, and enlisted men of the Regular Army and the Regular Air Force, and to provide retirement benefits for members of the Reserve components of the Army of the United States, the Air Force of the United States, United States Navy and Marine Corps, and Coast Guard; and

H. R. 3510. An act to authorize the construction, protection, operation, and maintenance of a public airport in the Territory of Alaska.

The message also announced that the House had agreed to the following concurrent resolutions, in which it requested the concurrence of the Senate:

H. Con. Res. 142. Concurrent resolution authorizing the printing of additional copies of parts 4 and 5 of the hearings relative to revenue revisions, 1947-48, held before the Committee on Ways and Means;

H. Con. Res. 143. Concurrent resolution authorizing the printing of additional copies of the hearings relative to reduction of individual income taxes held before the Committee on Ways and Means; and

H. Con. Res. 144. Concurrent resolution authorizing the Committee on Foreign Affairs to have printed additional copies of a special subcommittee report and appendix on the United States Information Service in Europe.

#### TRANSACTION OF ROUTINE BUSINESS

By unanimous consent, the following routine business was transacted:

##### MAP OF PRINCIPAL NATURAL-GAS PIPE LINES

The PRESIDENT pro tempore laid before the Senate a letter from the Chairman of the Federal Power Commission, transmitting, for the information of the Senate, a copy of that Commission's newly issued map entitled "Principal Natural-Gas Pipe Lines in the United States and Communities Served With Natural, Manufactured, and Mixed Gas, 1947," which, with the accompanying map, was referred to the Committee on Interstate and Foreign Commerce.

#### PETITIONS AND MEMORIALS

Petitions, etc., were laid before the Senate by the President pro tempore and referred as indicated:

A petition of several citizens of the United States, praying for the establishment of a Jewish state in Palestine; to the Committee on Foreign Relations.

A letter in the nature of a petition from Myra S. Barnes, of Staten Island, N. Y., praying for the enactment of legislation to prohibit the dumping of garbage on land within 5 miles of any shore or city, except by a bona fide tiller of the soil (with an accompanying paper); to the Committee on Labor and Public Welfare.

A resolution adopted by the Municipal Council of St. Thomas and St. John, V. I., protesting against any amendment to the Organic Act of the Virgin Islands until the inhabitants of said islands have had an opportunity to first review and express their opinion; to the Committee on Interior and Insular Affairs.

A resolution adopted by the Municipal Council of St. Thomas and St. John, V. I., favoring the enactment of legislation to grant to the Virgin Islands \$2,000,000 for the construction of two modern de luxe hotels at St. Thomas and St. Croix, V. I., to be turned over to an American hotel association for operation; to the Committee on Interior and Insular Affairs.

#### RESOLUTIONS OF PUBLIC POWER LEAGUE OF WASHINGTON REGARDING PUBLIC POWER AND RECLAMATION

Mr. MAGNUSON. Mr. President, I ask unanimous consent to present for appropriate reference and to have printed in the RECORD resolutions adopted by the Public Power League of Washington at Vancouver, Wash., relating to the development of public power in the Northwest in its relation to certain provisions of the Reclamation Act of 1939.

There being no objection, the resolutions were received, referred to the Committee on Interior and Insular Affairs, and ordered to be printed in the RECORD, as follows:

##### PETITION

To the Congress of the United States:

The Public Power League of Washington, Inc., through its president, Ken Billington, and secretary, Maude E. Swick, and 48 other residents of the Third Congressional District of the State of Washington, urges Congress to consider the three resolutions passed by the assembly recently at Vancouver, Wash.:

##### "Resolution 1

"Whereas the development of the Northwest has been hampered in the field of reclamation and public power by the subversive influence of special interest groups; and

"Whereas these groups operate under various names, often misleading, stating they are interested in soil conservation, reclamation, and public power; and

"Whereas associations with genuine interest in the progress of the Pacific Northwest are frequently infiltrated with a subversive element with the purpose to hamper their interested efforts: Now, therefore, be it

"Resolved, That we urge the National Reclamation Association and the Department of the Interior to safeguard democratic processes in their activities and to avoid undue influence of special interest groups seeking selfish ends."

##### "Resolution 2

"Whereas there is a Nation-wide and imminent Northwest shortage of electrical energy: Now, therefore, be it

"Resolved—

"1. The Public Power League of Washington, Inc., reaffirms its faith in public power development as a corollary of irrigation as the most beneficial and efficient means of providing ample electrical energy for every use.

"2. That we commend the Bonneville Administration and the Columbia Basin Reclamation Association for the efforts they have put forth to meet any emergency involved in shortage of electrical power and their effective coordination and planning under difficult conditions.

"3. We ask the utmost cooperation from both State and Federal governmental bodies in the efforts of the Bonneville Administration to erect additional facilities for the production of electrical energy and we, as an association, pledge our complete cooperation toward this end."

##### "Resolution 3

"Whereas the conservation and effective use of water resources of the Columbia River and its tributaries is undeniably essential to the welfare of all the people of the Pacific Northwest; and

"Whereas the present low rate for electrical energy has attracted many industries and particularly light metal industries to the Northwest; and

"Whereas the Rockwell bill (H. R. 2873) as amended is detrimental to the interests of the Northwest, and if passed in its present

form would make it mandatory for Bonneville and Grand Coulee to increase their power rates; and

"Whereas the present low rate has been given a clean bill of health and as a matter of sound business practice has worked out satisfactorily for the Government, as the complete repayment of the costs of the Bonneville dam 5 years ahead of schedule has been made possible when the Bonneville Administration made an advance payment of \$2,100,000 toward the cost of amortizing the investment in the power facilities of the project; and

"Whereas any raise in the Bonneville rate would cause the Northwest to lose many of the light metal industries: Now, therefore, be it

"Resolved, The Public Power League of Washington, Inc. urges the Congress to reject the Rockwell bill as amended, and to enact legislation which will set the amortization period of each individual project for such as will allow each one to pay out at the present rate, whether it be 40 or 90 years."

Adopted February 9, 1948.

KEN BILLINGTON, President.  
MAUDE E. SWICK, Secretary.

#### UNIVERSAL MILITARY TRAINING

Mr. CAPPER. Mr. President, I have a brief letter from Omar B. Ketchum, formerly mayor of Topeka, and now director of the national legislative service for the Veterans of Foreign Wars, in which is set forth the position of that organization with respect to universal military training. I ask unanimous consent to present the letter for appropriate reference, and request that it be printed in the RECORD.

There being no objection, the letter was received, referred to the Committee on Armed Services, and ordered to be printed in the RECORD, as follows:

##### VETERANS OF FOREIGN WARS OF THE UNITED STATES,

Washington, D. C., March 8, 1948.

To All Members of the Eightieth Congress:

This is to advise that the position of the Veterans of Foreign Wars of the United States with respect to universal military training remains unchanged. Over a long period of years the Veterans of Foreign Wars has championed and demanded the adoption of a system of universal military training for the United States.

The Veterans of Foreign Wars in its 1947 national encampment held last September in Cleveland, Ohio, reaffirmed its traditional stand in favor of universal military training and unanimously endorsed a bill identified as H. R. 4278, now pending on the Union Calendar of the House of Representatives. It is urgently requested in view of the present world situation that immediate action be taken by the Congress to expedite the prompt passage of H. R. 4278.

Respectfully yours,

OMAR B. KETCHUM,  
Director, National Legislative Service.

#### REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. ECTON, from the Committee on Post Office and Civil Service:

S. 2181. A bill to ratify the administrative promotions of employees on military furlough from the field postal service, in certain cases, and for related purposes; without amendment (Rept. No. 975).

By Mr. THYE, from the Committee on Post Office and Civil Service:



S. J. Res. 154. Joint resolution authorizing the issuance of a special series of stamps commemorative of the one-hundredth anniversary of the poultry business in the United States; without amendment (Rept. No. 976);

S. J. Res. 158. Joint resolution to authorize the issuance of a special series of stamps commemorative of the eighty-fifth anniversary of Lincoln's Gettysburg Address; without amendment (Rept. No. 977);

S. J. Res. 178. Joint resolution to authorize the issuance of a special series of stamps commemorative of the one-hundredth anniversary of the creation of the Territory of Minnesota; without amendment (Rept. No. 978);

S. J. Res. 189. Joint resolution to provide for the issuance of a special postage stamp in honor of the Five Civilized Tribes of Indians in Oklahoma; without amendment (Rept. No. 979); and

H. J. Res. 251. Joint resolution to authorize the issuance of a special series of stamps commemorative of the one-hundredth anniversary of the coming of the Swedish pioneers to the Middle West; without amendment (Rept. No. 980).

By Mr. COOPER, from the Committee on Public Works:

S. J. Res. 155. Joint resolution rescinding an order of the Federal Power Commission authorizing redevelopment of the Wilder Dam project; with amendments (Rept. No. 981).

#### PERSONS EMPLOYED BY COMMITTEES WHO ARE NOT FULL-TIME SENATE OR COMMITTEE EMPLOYEES

The PRESIDENT pro tempore laid before the Senate a report for the month of February 1948, from the chairman of a certain committee, in response to Senate Resolution 319 (78th Cong.), relative to persons employed by committees who are not full-time employees of the Senate or any committee thereof, which was ordered to lie on the table and to be printed in the RECORD, as follows:

UNITED STATES SENATE,  
COMMITTEE ON FINANCE,  
March 5, 1948.

To the Senate:

The above-mentioned committee hereby submits the following report showing the name of persons employed by the committee who are not full-time employees of the Senate or of the committee for the month of February 1948, in compliance with the terms of Senate Resolution 319, agreed to August 23, 1944:

Milton M. Mayer, 4817 Thirty-sixth Street NW.; Public Housing Administration; annual rate of salary, \$7,341.

Leona V. MacKinnon, 1443 Spring Road NW.; Social Security Administration; annual rate of salary, \$9,975.

E. D. MELLIKIN,  
Chairman.

#### BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. REVERCOMB:

S. 2288. A bill to provide for the sale at cost of Public Housing Administration project, West Virginia, 46011; to the Committee on Banking and Currency.

S. 2289. A bill to amend the Flood Control Act of July 24, 1946, and for other purposes; to the Committee on Public Works.

By Mr. LANGER:

S. 2290. A bill to authorize the Federal Works Administrator and the Postmaster General to finance the construction of post offices, in certain cases, by borrowing from local lending institutions; to the Committee on Public Works.

By Mr. GURNEY:

S. 2291. A bill to authorize the Secretary of the Army or his duly authorized representative to quitclaim a perpetual easement over certain lands adjacent to the Fort Myers Army Airfield, Fla.; to the Committee on Armed Services.

By Mr. MAYBANK:

S. 2292. A bill to provide an appropriate memorial to deceased servicemen of World War II whose bodies have not been recovered or identified or have been buried at sea by providing for having their names inscribed on the walls of chapels and other memorial edifices erected by the Government; to the Committee on Armed Services.

By Mr. MAGNUSON:

S. 2293. A bill for the relief of Mrs. Alma V. Ward; to the Committee on Finance.

S. 2294. A bill for the relief of Catherine A. Glesener; to the Committee on the Judiciary.

By Mr. CAPPER:

S. 2295. A bill to direct the Chief of the Weather Bureau to conduct experiments with respect to methods of controlling rainfall; to the Committee on Interstate and Foreign Commerce.

#### CONTINUATION OF JOINT COMMITTEE ON HOUSING

Mr. CAIN submitted the following concurrent resolution (S. Con. Res. 45), which was referred to the Committee on Banking and Currency:

Resolved by the Senate (the House of Representatives concurring), That section 3 of the concurrent resolution entitled "Concurrent resolution to establish a joint congressional committee to be known as the Joint Committee on Housing" (H. Con. Res. 104, 80th Cong.), is hereby amended to read as follows:

"Sec. 3. The committee shall from time to time report to the Senate and the House of Representatives the results of its study and investigation, together with such recommendations as to necessary legislation and such other recommendations as it may deem advisable. The committee shall make a preliminary report not later than March 15, 1948, and shall make its final report not later than June 30, 1948. Reports under this section may be transmitted to the Secretary of the Senate or the Clerk of the House of Representatives, if the Senate or the House of Representatives, as the case may be, is not in session."

#### EUROPEAN RECOVERY PROGRAM—AMENDMENTS

Mr. TAFT submitted two amendments intended to be proposed by him to the bill (S. 2202) to promote the general welfare, national interest, and foreign policy of the United States through necessary economic and financial assistance to foreign countries which undertake to cooperate with each other in the establishment and maintenance of economic conditions essential to a peaceful and prosperous world, which were ordered to lie on the table and to be printed.

#### ADMISSION OF CERTAIN EUROPEAN DISPLACED PERSONS FOR PERMANENT RESIDENCE—AMENDMENT

Mr. REVERCOMB submitted an amendment intended to be proposed by him to the bill (S. 2242) to authorize for a limited period of time the admission into the United States of certain European displaced persons for permanent residence, and for other purposes, which was ordered to lie on the table and to be printed.

#### HOUSE BILLS REFERRED

The following bills were each read twice by their titles, and referred, as indicated:

H. R. 2744. An act to provide for the elimination of Regular Army and Regular Air Force officers and for the retirement of officers, warrant officers, and enlisted men of the Regular Army and the Regular Air Force, and to provide retirement benefits for members of the Reserve components of the Army of the United States, the Air Force of the United States, United States Navy and Marine Corps, and Coast Guard; to the Committee on Armed Services.

H. R. 3510. An act to authorize the construction, protection, operation, and maintenance of a public airport in the Territory of Alaska; to the Committee on Interstate and Foreign Commerce.

#### THE CRISIS IN CZECHOSLOVAKIA—ADDRESS BY JURAJ SLAVIK, FORMER AMBASSADOR FROM CZECHOSLOVAKIA

[Mr. HATCH asked and obtained leave to have printed in the RECORD an address delivered by Hon. Juraj Slavik, former Ambassador from Czechoslovakia, on March 10, 1948, which appears in the Appendix.]

#### EUROPEAN RECOVERY PROGRAM AND UNIVERSAL MILITARY TRAINING—ADDRESS BY NATIONAL COMMANDER O'NEIL

[Mr. O'CONNOR asked and obtained leave to have printed in the RECORD an address on the European recovery program and universal military training, delivered by James F. O'Neill, national commander of the American Legion, at the War Memorial, Baltimore, Md., March 3, 1948, which appears in the Appendix.]

#### THE SOUTH REACTS—EDITORIAL FROM CHRISTIAN SCIENCE MONITOR

[Mr. MAYBANK asked and obtained leave to have printed in the RECORD an editorial entitled "The South Reacts" published in the Christian Science Monitor of February 12, 1948, which appears in the Appendix.]

#### WHAT DOES IT MEAN TO BE AN AMERICAN?—ARTICLE BY E. E. PATTON

[Mr. STEWART asked and obtained leave to have printed in the RECORD an article on what it means to be an American, by E. E. Patton from the Knoxville Journal, which appears in the Appendix.]

#### COMMITTEE MEETING DURING SENATE SESSION

Mr. WHERRY. Mr. President, it is imperative that a unanimous-consent request be made that a subcommittee of the Small Business Committee studying the oil situation be permitted to sit long enough to conclude its hearings this afternoon I ask unanimous consent that such permission be granted.

The PRESIDENT pro tempore. Without objection, permission is granted.

#### INACTIVE-DUTY TRAINING PAY FOR THE ORGANIZED RESERVE CORPS

The PRESIDENT pro tempore laid before the Senate the amendment of the House of Representatives to the bill (S. 1174) to provide for inactive duty training pay for the Organized Reserve Corps, to provide uniform standards for inactive duty training pay for all Reserve components of the armed forces, and for other purposes; which was, to



strike out all after the enacting clause and insert:

That section 1 of the National Defense Act, as amended, be further amended by striking out the words "the Officers Reserve Corps, the Organized Reserves, and the Enlisted Reserve Corps," and inserting in lieu thereof the words "and the Organized Reserve Corps."

Sec. 2. That section 37a of the National Defense Act of 1916, as amended, is amended by deleting therefrom the following sentence: "A Reserve officer shall not be entitled to pay and allowances except when on active duty."

Sec. 3. That section 14 of the Pay Readjustment Act of 1942, as amended, be amended to read as follows:

"Sec. 14. Reserve and National Guard Personnel: (a) Officers, warrant officers, and enlisted personnel of the Reserve components of any of the services mentioned in the title of this act, when on active duty in the service of the United States, shall be entitled to receive the same pay and allowances as are authorized for persons of corresponding grade and length of service in the Regular Army, Navy, Marine Corps, Coast Guard, or Public Health Service.

"(b) Officers, warrant officers, and enlisted personnel of the Reserve components of any of the services mentioned in the title of this act, when participating in full-time training or other full-time duty (provided for or authorized in the National Defense Act as amended, or in the Naval Reserve Act of 1938, as amended, or in other provisions of law, including participation in exercises or performance of the duties provided for by sections 94, 97, and 99 of the National Defense Act, as amended) shall receive the same pay and allowances as are authorized for persons of corresponding grade and length of service in the Regular Army, Navy, Marine Corps, Coast Guard, or Public Health Service: *Provided*, That they may be given additional training or other duty as provided for by law, without pay, as may be authorized by the head of the Department concerned, with their consent, and when such authorized training or other duty without pay is performed they may in the discretion of the head of the Department concerned, be furnished with transportation to and from such duty, with subsistence en route, and, during the performance of such duty, be furnished with subsistence and quarters in kind or commutation thereof at a rate to be fixed from time to time by the head of the Department concerned.

"(c) Under such regulations as the head of the Department concerned may prescribe, and to the extent provided for by law and by appropriations, officers, warrant officers, and enlisted personnel of the National Guard of the United States, Organized Reserve Corps, Naval Reserve, and Marine Corps Reserve, shall receive compensation at the rate of one-thirtieth of the monthly base pay including longevity pay, authorized for such persons when on active duty in the armed forces of the United States, for each regular period of instruction, or period of appropriate duty, at which they shall have been engaged for not less than 2 hours, including those performed on Sundays and holidays, or for the performance of such other equivalent training, instruction, or duty or appropriate duties as may be prescribed by the head of the Department concerned: *Provided*, That personnel required to perform aerial flights, parachute jumping, glider flights, or submarine duty shall receive the increases in pay provided for by law for personnel in such status: *Provided further*, That for each of the several classes of organizations prescribed for the National Guard of the United States, the Organized Reserve Corps, Naval Reserve, and Marine Corps Reserve, the rules applicable to each of which services and classes within services

may differ, the head of the Department concerned: (1) Shall prescribe minimum standards which must be met before an assembly for drill or other equivalent period of training, instruction, or duty or appropriate duties may be credited for pay purposes, which minimum standards may require the presence for duty of officers and enlisted personnel equal to or in excess of a minimum number or percentage of unit strength for a specified period of time with participation in a prescribed character of training; (2) shall prescribe the maximum number of assemblies, or periods of other equivalent training, instruction, or duty or appropriate duties, which may be counted for pay purposes in each fiscal year; (3) shall prescribe the maximum number of assemblies, or periods of other equivalent training, instruction, or duty or appropriate duties which can be counted for pay purposes in lesser periods of time; and (4) shall prescribe the minimum number of assemblies or periods of other equivalent training, instruction, or duty or appropriate duties, which must be completed in stated periods of time before the personnel of organizations or units can qualify for pay: *And provided further*, That the provisions of this paragraph shall not apply when such persons are entitled to receive full pay and allowances as provided for in paragraphs (a) and (b) of this section.

"(d) In addition to pay provided in paragraph (c) of this section, officers of the National Guard of the United States, Organized Reserve Corps, Naval Reserve, and Marine Corps Reserve, commanding organizations having administrative functions connected therewith shall, whether or not such officers belong to such organizations, receive not more than \$240 a year for the faithful performance of such administrative functions under such regulations as the head of the Department concerned may prescribe; and for the purpose of determining how much shall be paid to such officers so performing such functions, the head of the Department concerned may, from time to time, divide them into classes and fix the amount payable to the officers in each class: *Provided*, That the provisions of this paragraph shall not apply when such persons are entitled to receive full pay and allowances as provided for in paragraphs (a) and (b) of this section."

Sec. 4. That section 55a of the National Defense Act of 1916, as amended, be amended to read as follows:

"Sec. 55a. Organized Reserve Corps—Organization and training: The Organized Reserve Corps shall include the personnel and units of the Officers Reserve Corps, the Enlisted Reserve Corps, and the Organized Reserves. The Secretary of the Army shall prescribe all necessary and proper regulations for the recruiting, organization, government, administration, training, inspections, and mobilization of the Organized Reserve Corps, and shall detail such officers and enlisted personnel of the Regular Army and Organized Reserve Corps, and shall make available such material, uniforms, arms, supplies, equipment, and other facilities of the Army, or procured from funds appropriated for the purpose as he may deem necessary and advisable for the development, training, instruction, and administration of the Organized Reserve Corps and the care of Government property issued to the members and units of the Organized Reserve Corps. Any or all members of the Organized Reserve Corps may be formed into military organizations, which in turn may be sponsored by civilian organizations as affiliated units.

"Organized Reserve Corps units will be of three classes, varying in degree of organization, as follows:

"1. Those combat and service types organized with a full complement of officers and men: *Provided*, That there will be included in this category only those units

which are considered necessary for prompt mobilization.

"2. Those combat and service types generally organized with a full complement of officers and an enlisted cadre.

"3. Those combat and service types generally organized with a full complement of officers only.

"Under such regulations as the Secretary of the Army may prescribe, personnel of the Organized Reserve Corps shall assemble for drill, training, instruction, or other duty and shall participate in encampments, maneuvers, or other exercises: *Provided*, That assemblies for such duty under such regulations for members of the Organized Reserve Corps assigned to fully organized units shall be on the same minimum basis as now or hereafter prescribed for the National Guard: *Provided further*, That other units of the Organized Reserve Corps may be assembled, under such regulations, for such duty; however, personnel of these units may not receive pay in any one fiscal year for a total number of regular periods of instruction, or periods of appropriate duty, at which they shall have been engaged for not less than 2 hours, or for the performance of such other equivalent training, instruction, or duty or appropriate duties as may be prescribed by the Secretary of the Army in accordance with subsection (c), section 14, Pay Readjustment Act of 1942, as amended, in excess of 50 percent of the number of such assemblies authorized for personnel assigned to similar positions in the National Guard: *Provided further*, That members of the Organized Reserve Corps not assigned to table of organization units may be required to perform duties as prescribed by such regulations and receive credit for regular periods of instruction or duty, for pay purposes, up to the same maximum as prescribed herein for members of units of the Organized Reserve Corps, other than fully organized type units: *And provided further*, That members of the Organized Reserve Corps classified in scientific or specialist categories, or members of the Organized Reserve Corps, whether or not assigned to a unit, who, under regulations prescribed by the Secretary of the Army, are designated for a mobilization day assignment, may be required to perform duties as prescribed by such regulations and receive credit for regular drill periods for pay purposes on the same minimum basis as prescribed herein for members of the Organized Reserve Corps in fully organized type units.

"Under such regulations as the Secretary of the Army may prescribe, personnel of the Organized Reserve Corps may receive compensation as provided in section 14 of the Pay Readjustment Act of 1942, as amended, for attending periods of instruction, or periods of appropriate duty, duly prescribed under the authority of the Secretary of the Army, including those performed on Sundays and holidays, or for the performance of such other equivalent training, instruction, or duty or appropriate duties, as may be prescribed by the Secretary of the Army.

"Members of the Organized Reserve Corps in receipt of pay for the performance of drills, or other equivalent training, instruction, or duty or appropriate duties, may be required to perform such active duty or training duty, not to exceed 15 days annually, as may be prescribed by the Secretary of the Army: *Provided*, That they may be given additional training or other duty, either with or without pay, as may be authorized, with their consent, by direction of the Secretary of the Army: *Provided further*, That when authorized training or other duty without pay is performed by members of the Organized Reserve Corps they may in the discretion of the Secretary of the Army be furnished with transportation to and from such duty, with subsistence en route,



and, during the performance of such duty, be furnished subsistence and quarters in kind or commutation thereof at a rate to be fixed from time to time by the head of the Department concerned."

SEC. 5. (a) That section 92 of the National Defense Act of 1916, as amended, be further amended by changing the period at the end of said section to a colon and adding the following: "Provided further, That members of the National Guard of the United States may be given additional training or other duty, either with or without pay, as may be authorized, with their consent, by direction of the Secretary of the Army: And provided further, That when authorized training or other duty without pay is performed by members of the National Guard of the United States they may in the discretion of the Secretary of the Army be furnished with transportation to and from such duty, with subsistence en route, and, during the performance of such duty, be furnished subsistence and quarters in kind or commutation thereof at a rate to be fixed from time to time by the Secretary of the Army."

(b) That the portion of section 109 of the National Defense Act, as amended, which precedes the final proviso of such section, be amended to read as follows:

"SEC. 109. Pay for National Guard officers: Under such regulations as the Secretary of the Army may prescribe, officers and warrant officers of the National Guard of the United States may receive compensation as provided in section 14 of the Pay Readjustment Act of 1942, as amended, for attending regular periods of instruction, or periods of appropriate duty, duly prescribed under the authority of the Secretary of the Army, including drills performed on Sundays and holidays, or for the performance of such other equivalent training, instruction, or duty or appropriate duties, as may be prescribed by the Secretary of the Army."

(c) That the portion of section 110 of the National Defense Act, as amended, which precedes the first proviso of such section, be amended to read as follows:

"SEC. 110. Pay for National Guard enlisted men: Under such regulations as the Secretary of the Army may prescribe, enlisted men of the National Guard of the United States may receive compensation as provided in section 14 of the Pay Readjustment Act of 1942, as amended, for attending regular periods of duty and instruction duly prescribed under the authority of the Secretary of the Army, including those performed on Sundays and holidays."

SEC. 6. The provisions of this act shall be applicable to the Department of the Air Force: *Provided*, That all references therein to the Secretary of the Army, the Department of the Army, the Regular Army, the National Guard and the National Guard of the United States, the Organized Reserve Corps, the Officers Reserve Corps, the Enlisted Reserve Corps, and the Organized Reserves, shall be construed for the purposes of this section as referring to the Secretary of the Air Force, the Department of the Air Force, the Regular Air Force, the Air National Guard, the Air Force Reserve, the officers section of the Air Force Reserve, the enlisted section of the Air Force Reserve, and personnel of the Organized Reserves transferred to the Department of the Air Force, respectively.

Mr. GURNEY. Mr. President, this is a bill passed by the Senate July 23, 1947. Recently, on March 9, the House passed the bill with certain technical amendments necessary because of unification of the armed forces. I move that the Senate concur in the amendment of the House.

The motion was agreed to.

#### PRINTING OF ADDITIONAL COPIES OF CERTAIN HEARINGS RELATIVE TO REVENUE REVISIONS

The PRESIDENT pro tempore laid before the Senate House Concurrent Resolution 142, which was read, as follows:

*Resolved by the House of Representatives (the Senate concurring)*, That, in accordance with paragraph 3 of section 2 of the Printing Act, approved March 1, 1907, the Committee on Ways and Means be, and is hereby, authorized and empowered to have printed for its use 1,000 additional copies each of parts 4 and 5 of the hearings relative to revenue revisions, 1947-48, held before said committee during the first session of the Eightieth Congress.

Mr. JENNER. I ask unanimous consent for the immediate consideration of the concurrent resolution.

There being no objection, the concurrent resolution was considered and agreed to.

#### PRINTING OF ADDITIONAL COPIES OF HEARINGS RELATING TO REDUCTION OF INDIVIDUAL INCOME TAXES

The PRESIDENT pro tempore laid before the Senate House Concurrent Resolution 143, which was read, as follows:

*Resolved by the House of Representatives (the Senate concurring)*, That in accordance with paragraph 3 of section 2 of the Printing Act, approved March 1, 1907, the Committee on Ways and Means be, and is hereby, authorized and empowered to have printed for its use 1,500 additional copies of the hearings relative to reduction of individual income taxes, held before said committee during the current session.

Mr. JENNER. I ask unanimous consent for the immediate consideration of the concurrent resolution.

There being no objection, the concurrent resolution was considered and agreed to.

#### PRINTING OF ADDITIONAL COPIES OF REPORT AND APPENDIX ON UNITED STATES INFORMATION SERVICE IN EUROPE

The PRESIDENT pro tempore laid before the Senate House Concurrent Resolution 144, which was read, as follows:

*Resolved by the House of Representatives (the Senate concurring)*, That in accordance with paragraph 3 of section 2 of the Printing Act, approved March 1, 1907, the Committee on Foreign Affairs of the House of Representatives be, and is hereby, authorized and empowered to have printed not to exceed five thousand additional copies each of the report and appendix of the special Mundt subcommittee of the Committee on Foreign Affairs covering an investigation during September and October 1947 of the United States Information Service in Europe and the conditions affecting it, pursuant to provisions of H. Res. 295.

Mr. JENNER. I ask unanimous consent for the immediate consideration of the concurrent resolution.

There being no objection, the concurrent resolution was considered and agreed to.

#### EUROPEAN RECOVERY PROGRAM

The Senate resumed the consideration of the bill (S. 2202) to promote the general welfare, national interest, and foreign policy of the United States through

necessary economic and financial assistance to foreign countries which undertake to cooperate with each other in the establishment and maintenance of economic conditions essential to a peaceful and prosperous world.

Mr. WHERRY. The distinguished Senator from Indiana [Mr. CAPEHART] is ready to propose an amendment in the nature of a substitute. I suggest the absence of a quorum.

The PRESIDENT pro tempore. The Chair recognizes the Senator from Indiana. Does he yield for the purpose of having a quorum called?

Mr. CAPEHART. I yield for that purpose.

The PRESIDENT pro tempore. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Aiken	Hatch	O'Connor
Baldwin	Hawkes	O'Daniel
Ball	Hayden	O'Mahoney
Barkley	Hickenlooper	Overton
Brewster	Hill	Pepper
Bricker	Hoey	Reed
Bridges	Holland	Revercomb
Brooks	Ives	Robertson, Va.
Buck	Jenner	Robertson, Wyo.
Butler	Johnson, Colo.	Russell
Byrd	Johnston, S. C.	Saltonstall
Cain	Kem	Smith
Capehart	Kilgore	Sparkman
Capper	Knowland	Stennis
Chavez	Langer	Stewart
Connally	Lodge	Taft
Cooper	Lucas	Taylor
Cordon	McCarran	Thomas, Okla.
Downey	McClellan	Thomas, Utah
Dworshak	McFarland	Thye
Eastland	McGrath	Tobey
Eaton	McKellar	Umstead
Ellender	Magnuson	Vandenberg
Ferguson	Maybank	Watkins
Flanders	Millikin	Wherry
George	Moore	Wiley
Green	Murray	Williams
Gurney	Myers	Wilson

Mr. WHERRY. I announce that the Senator from South Dakota [Mr. BUSHFIELD], the Senator from Pennsylvania [Mr. MARTIN], the Senator from Nevada [Mr. MALONE], the Senator from Wisconsin [Mr. MCCARTHY], and the Senator from Oregon [Mr. MORSE] are necessarily absent.

The Senator from Missouri [Mr. DONNELL] is absent by leave of the Senate.

The Senator from Maine [Mr. WHITE] is absent because of illness.

The Senator from North Dakota [Mr. YOUNG] is absent by leave of the Senate.

Mr. LUCAS. I announce that the Senator from Arkansas [Mr. FULBRIGHT] and the Senator from Maryland [Mr. TYDINGS] are absent because of illness.

The Senator from Connecticut [Mr. McMAHON] is absent on public business.

The Senator from New York [Mr. WAGNER] is necessarily absent.

The PRESIDENT pro tempore. Eighty-four Senators having answered to their names, a quorum is present.

Mr. CAPEHART. Mr. President, I rise to discuss a substitute for Senate bill 2202, the European Recovery Act. The substitute has been printed and I am sure is on the desks of Senators.

In view of the importance of continuity in my remarks, I request that I be permitted to conclude my statement without interruption. However, upon the completion of my remarks I sincerely



hope for and will welcome a most thorough discussion of my proposal, as I am as vitally interested in the question of European recovery as is any other Member of this body.

Mr. President, I think this is a good time to stop, look, and listen and to draw upon our experiences during the 172 years since the founding of our Government. We must weigh every angle of the problem before us very carefully. We can well afford to temper our haste sufficiently to study the lessons which were taught by those past experiences.

The trail of American success is not without its thorny places. There have been mistakes in judgment. There have been failures of purpose. Those errors have been overcome by the will of the people of this great Nation to continue against all obstacles toward the goal set by our forefathers.

The great faith of our people in our republican form of government is the trust we bear in all our considerations and should guide us in all our deliberations. As we face the problem of a future international policy which may mold a new course for America for all time, our greatest obligation to our country is the maintenance of faith in our form of government. Whatever we do here in this hour of unprecedented judgment cannot possibly succeed if our people lose faith in our form of government.

Yes; time may be important, but right is also important. What have we gained if we merely hurry to make a mistake? Of what great value was our haste to enter that terrible First World War to save democracy? It is not my intention to say whether we were right or wrong. I merely raise the question as to whether our efforts attained the purpose for which they were intended.

We must at times have shaken the faith of at least some of our people in the past 30 years as one hasty stride after another was taken into the pitfalls of international schemes. The freedom, the enterprise, and the faith of America carried our Nation to world leadership, but we have not led. We have followed. So weak and cowardly has been our leadership since the first tragic fight for democracy that today we must be constantly on guard within our own borders against the very philosophy over which we thought we had triumphed in two world wars.

In his address before the Senate on March 1 in behalf of the European recovery program, the capable and esteemed senior Senator from Michigan [Mr. VANDENBERG] said that east-west tension can be released when there is mutual east-west fidelity to the principles and purposes of the United Nations.

Mr. President, I believe we must take a more realistic view of our problem than can be found in those words. The east-west tension which has now become recognizable as the obstacle to world peace is another and a worse chapter in the history of the clashing of two ideologies of government. We have been giving this clash and head-in-the-sand treatment ever since the United States became a world power after World War I.

Free government and government by dictation have clashed at every meeting. Two wars and two peace failures is the score between the two at the present time. Democracy did not win the peace after World War I, and it is not winning the peace after World War II. Why? Why, Mr. President? Because the leadership of liberty-loving peoples for the last 30 years has acted cowardly when the issue was at stake.

Yes; we went into World War I to save democracy, but we stood by while the hatreds of Europe concocted the Versailles Treaty—a treaty that was made to be broken. We refused to ratify that treaty, but we also refused to be the leader we should have been in preventing its adoption by our allies. The Kellogg-Briand Pact against aggression was another farce which we did not escape. Japan was a member of that pact, and the whole kit and kaboodle sat back and watched Japan rape Manchuria in violation of that agreement. Then we watched Italy trample over Ethiopia. The dictators have no respect for agreements. Ask Marshal Stalin. I am not arguing the merits of our participation in the Kellogg-Briand Pact, but I am asking whether it accomplished the purpose for which it was intended.

As the savior of democracy with life and money in World War I, what part did we have at Munich when the blueprint was made for World War II? What part did we play when Mr. Hitler's bulletless troops marched into the Ruhr Valley? The clashing of the two ideologies brought war closer, and emergencies faced us with machine-gun rapidity.

Our people had faith in their leadership as they watched enactment of the Neutrality Act, then cash and carry, and finally lend-lease. Every move was based on arguments that it would keep us out of war. Did they serve the purpose intended? No. Again, I point out that I am not discussing the merits of those acts, but am only asking the question. We were frantic in our efforts to keep out of war. We gave 50 destroyers to England with that result in mind. We stepped up our trade with Japan in order to appease her. I do not know whether we could have stayed out of the war by any effort. I do know that we did not stay out.

Once in the war we turned to the work of preparing for the peace for which all of us prayed. Our spirit was buoyed by the Atlantic Charter; and as the war moved nearer its end, we poured our greatest and most fervent hopes into Bretton Woods, the Export-Import Bank, and the United Nations.

Mr. President, our people solemnly and faithfully accepted every move of our leadership as a step toward a lasting peace. They had every right to feel that way because the most sincere effort of every framer of those documents had been expended in a history-making program for peace on earth. But those good intentions have not brought forth the purpose intended, because again we find those ideologies of Government clashing. Disappointment is springing up in the hearts of our people as they learn that another beacon of peace has been

dimmed by the clashing of free government and dictatorship, as represented at Tehran, Yalta, and Potsdam.

What we do in this, another hour of great crisis, Mr. President, must be made to work.

First, we must recognize that success can come of our efforts only if we apply the American principles which have made us the Nation to which the world is looking for leadership to a lasting peace. Our people have faith in American principles—a faith established through war and peace; through prosperity and depression. We would not be true to our obligations if we were to forsake our heritage in time of crisis. It is on this basis that I take exception to the so-called Marshall plan for European recovery, and in lieu of which I have offered a substitute proposal for aiding in world recovery and world peace.

Mr. President, we cannot go further on this world stage with another act that portrays a weakness in our system.

The parts we have played have lacked courage. We have been guilty too many times of shirking before the power of State socialism. I have mentioned a few, but there are more.

With courage on our part Poland would not be dying today as a state; Czechoslovakia would not have wilted under the heel of Sovietism; the riddling of Greece would stop; and the rifling of Manchuria and eastern Germany never would have happened.

Money alone cannot stop the ruthlessness of an unconscionable dictator. We have already learned that bayonets do not make people free.

Mr. President, if bayonets and money do not make people free, what does?

I will tell you what does. It is the will of the people to be free and the courage of their leaders to keep them free.

Two wars have been fought. Terrible wars that have been costly in lives and in property. Yet from those wars came the worst dictators in the history of the world. Let no one shake his head and say it is not true. It is true. Yet both of those wars were won largely through the contribution in lives, money, equipment, and spirit of free people under free government and practicing free enterprise.

The simple facts in those few words prove that we have failed in our mission for freedom and peace in each instance. We failed because we depended upon bayonets to make people free. Then we failed again because we thought we could buy freedom with money. Free Americans poured their hearts and their dollars out to the people of war-ravaged Poland during the war and after the war, but they are not free. Hundreds of millions of dollars, with the best wishes and hopes of free Americans, flowed into despondent Greece. But today Greece is fighting for her life against dictatorship. More millions and billions of the dollars of freedom were scattered like snowflakes over all Europe, but, Mr. President, I ask you: Where in Europe is there a free man today as the result of either our bayonets or our dollars?



America did not win freedom in the blood of the Revolutionary War. It kept the freedom it had. The freedom of America was born with the spirit of the Pilgrims when they boarded their ships of doubt and set out on a sea of mystery. That is how freedom is born. People must first have the will to be free, and that will to be free can come only from once having been free.

We cannot buy the freedom of western Europe with dollars, but we can inspire the will of those people to be free by the method in which those dollars are used. We did not peddle freedom through Europe when we peddled 20 billions of dollars worth of badly needed supplies to the hungry and cold after the war. That \$20,000,000,000 was doled out in food and other material, just as Marshal Stalin doles out what he wants his people to have.

Our own people had a taste of the same thing in our own country when our leadership attempted to solve problems with dollars. They did not like it. But our people had had freedom, and they returned to their free ways.

We cannot extinguish the fire of communism and state socialism by fighting it with the same kind of fire. If we cannot stop the spread of communism with the spirit of freedom our cause is lost. I think we can, but we shall never know until we try it. That is the reason I would favor a change in the method proposed by the senior Senator from Michigan for the recovery of Europe.

The nations of western Europe who are looking to us for help are doing so because they respect our ability to help. That ability, they must know, came through our American system. If we do not practice that same system in giving them aid, how can the people of those nations understand the difference which makes our help possible?

We are quick to recognize that Mr. Stalin promptly teaches the system of communism in the countries which he thinks have called upon the Soviet for help. Even the able senior Senator from Michigan recognized that fact when, in his stirring message to the Senate on March 1, he said:

Today Czechoslovakia joins only such enterprise as Moscow may direct.

I hasten to inject here that Stalin's reliance is on the force of military pressure, which we abhor. I contemplate the same result as that attained by Mr. Stalin, but through the friendly cooperation by those nations which we have been led to believe prefer democracy to autocracy.

It is my conviction that that great American, Secretary Marshall, had the American principles in mind when, during a talk in Boston, he made his now famous suggestion for European aid. He said at that time that there should be some agreement on the part of those nations as to the part they themselves will take in a recovery program initiated by us. He also said the program should be a joint one.

Mr. President, the amendment in the nature of a substitute offered by me contains the American principles which I am sure Mr. Marshall intended should be included. He has commented on this

bill in a letter to me in such a manner as to indicate his appreciation of those principles.

The substitute removes the governments of all nations participating in the recovery program as far from actual dominance of the program as can be accomplished under such critical conditions. Here is where the first principle of Americanism is applied. The possibility of dictatorial control of the program is reduced to a minimum at the very outset and is removed entirely from the remainder of the system of recovery.

To evolve the recovery plan proposed in the substitute measure, we turned to an American institution that has been tried and is successful, the Reconstruction Finance Corporation. When our own economy sagged dangerously many years back, we found the need for an addition to our free enterprise system. We did not resort to the socialistic method of direct State subsidy. The free-enterprise process was retained through the simple procedure of establishing a private corporation in which the Government could acquire stock.

This made the necessary financial assistance available to revive business on a business basis. We naturally admit the Government helped in so doing, but we also can argue that the Reconstruction Finance Corporation is a product of free enterprise, since it can sue and be sued and it can make a profit or sustain a loss. Its loans to business or political subdivisions are on the same formula as bank loans for the same purposes. It charges interest and forecloses on loans in the same manner as banks. The Reconstruction Finance Corporation proved to be the needed link in the chain of free enterprise.

In the amendment offered as a substitute for the bill we propose to increase the loaning power of the RFC to \$5,000,000,000 and to create an international division of the RFC. Under the powers proposed for the international division, stock may be purchased by the United States RFC in reconstruction finance corporations to be created in those nations which wish to participate in the plan for recovery.

It should also be pointed out that the substitute bill is so drafted as to permit the same system to be used in the economic-recovery assistance for any other country which may seek our help on these businesslike conditions. The international division of our RFC would be empowered with the authority to set up the provisions to be met by the foreign RFC's before participation would be approved by our RFC.

These provisions would include such requirements as determination of essential industries to be assisted, policies on loans and repayments, amount and types of collateral required, and procedures to be followed by the board of directors. Having met these provisions, the United States RFC's international division would then be empowered with authority to purchase the preferred stock of the qualified foreign RFC.

The participating nation would be required to purchase the common stock of its own RFC. The outstanding preferred and common stock would be in equal

shares, thus establishing a matched-dollar condition between the United States and the participating nation.

Preferred stock purchases by the international division of our RFC would be made with drafts against the United States Treasury and would be made in continuing purchases as long as the foreign RFC maintained a policy in compliance with the original agreement.

This provision of the substitute for Senate bill 2202 is a safeguard against the failure of the participating nation in full cooperation toward recovery. Stock purchases for additional loans will continue so long as the international division of our RFC shall feel the participating nation is doing its full part and so long as the participating nation shall purchase an equal share of the common stock.

Credits against dollar holdings in this country would be used by the participating nation for the purchase of common stock. This credit use of those foreign investments and holdings here would not disturb the actual investments as long as recovery through successful loans should be in process.

It should also be noted that such plan for dollar matching will help materially to smoke out some of the many millions of dollars now hoarded and hidden by the nationals of nations which are seeking recovery aid.

Inquiry has been made as to the attitude we might have toward government force by European nations to bring forth these hoarded funds.

Mr. President, we all recognize emergencies. We were asked some years ago to turn in our gold in exchange for currency. We all remember that. We did, and we remained a free nation.

Let us return to the explanation of this cooperative and free enterprise way of helping the world to recover. The foreign RFC would have a board of directors of seven members, four representing the participating nation and three representing the United States RFC. As once one might well ask if that division of representation might not place us at a disadvantage. We should feel that our representatives on the board would be only in the form of watchdogs and that the participating nation be given the chance to practice the free enterprise we hope to teach them.

Since the responsibility for continued cooperation on our part rests with the sound judgment of the four directors of the participating nation, we could expect considerable care on their part.

With the two RFC's now set to operate, we find an American institution and an American principle at work.

The proposed substitute then provides that short- and long-term loans can be made by the foreign RFC in exactly the same manner as has been done for years by our own RFC.

Since foreign industry might be considered in a condition where loan collateral might be difficult to determine, we leave the substitute bill flexible enough to permit the international RFC to determine the loan requirements.

I might point out, Mr. President, that many successful businesses and industries in this great Nation have been built



from what originally could have been considered extreme risks by the loaning organization. In America we recognize the ability and aggressiveness of a businessman as a collateral of far greater value in many cases than physical assets. With the world market demanding so many things which foreign industry can provide, I am reasonably certain that careful judgment by the foreign RFC boards will result in good loans.

During the drafting of the proposed substitute we were asked if the loans would be repaid in the currency of the participating nation. This should not be a problem. In fact, such a condition would tend to hasten stabilization of the currency in the participating nation since that nation's own American dollar credits will dwindle otherwise. Furthermore, vital materials needed for stock piling here could be purchased from the participating nation with its own currency.

But let us now return to the foreign RFC as it starts doing business as provided under the substitute measure. The foreign businessman, armed with a letter of American dollar credit, moves into the world market to purchase the materials or tools he needs to resume production. Here we have full-scale private enterprise at work. He will buy shrewdly in order to obtain the most and best for his money. This will stabilize the market.

It is at this point that the substitute differs greatly from Senate bill 2202 as reported by the senior Senator from Michigan.

In the bill which the Senate has before it as representing the Marshall plan a Government administrator in this country would make mass purchases with Government funds, which he then would turn over to European governments.

Under Senate bill 2202, the so-called Marshall plan bill, the European governments would dispose of those materials and goods in a typical socialistic method determined by those governments.

Whereas the Marshall plan bill is based on government-to-government procedure, the substitute is based on the private-enterprise-to-private-enterprise processes symbolic of the American system.

With production again rolling in Europe's factories the loans would be repaid to create a revolving fund from which more loans would be made.

Under the plan provided in the substitute, the RFC system of business loans would continue for 10 years, after which no more loans could be made until the preferred stock was retired. This provision would not prevent the European nation from continuing its own RFC after our stock had been retired. The system would give Europe a period of recovery assistance more than twice as long as that estimated in the Marshall plan and at a cost to the American taxpayer which, at worst, would be far less than the cost under the Marshall plan.

More important than the danger of some loss of money, more important than the advantage of a longer period of assistance, and more important than the actual tempo of recovery would be the fact that American principles would

be used and practiced in our aid to foreign nations for the first time.

But, Mr. President, on a strictly business basis—and I feel that the American taxpayer is entitled to have this matter judged at least to some extent on a strictly business basis—we would be approaching the problem with a view toward greatest dollar benefit and greatest dollar return possibility.

By increasing the RFC loaning authority to \$5,000,000,000 we make \$3,000,000,000 available to the international division of the RFC for investment in international recovery.

On a matched-dollar basis a fund of \$6,000,000,000 would be created, half of which, of course, is foreign credit against foreign investments in this Nation.

We believe the revolving fund potential of the foreign RFC's would make this amount sufficient not only for the 16 western European nations which have already indicated participation in cooperative assistance, but would also provide funds to assist other nations needing similar help, including western Germany.

This portion of the proposed substitute does not cover the phase of relief of the hungry and cold people of Europe. I shall discuss that portion of the substitute bill very soon. We attempt to deal with these two phases of the problem separately, as they should be treated. The RFC system is to be used only in connection with the long-range economic recovery phase of European and international assistance.

For further discussion of that phase, let us look for a minute into the problem of European finances. Practically every nation mentioned as a probable participant in the Marshall plan has dollar holdings in this country sufficient to meet the matched-dollar program under this bill. When the holdings of nationals of those nations are considered, every nation is equipped to meet the requirements, with the possible exception of Italy.

Are we asking too much when we ask that those nations have the same confidence in their recovery that they ask us to have? Are we asking too much when we ask that those nations take the same risks in their recovery that they ask the American taxpayer to take? Is such a financial burden any greater to those nations than the addition of seventeen to twenty billions of dollars to our national debt would be to our taxpayers?

Now, Mr. President, let us talk for a moment about the nations which might not have the dollar holdings which would permit participation in this plan. I am aware of but two at present, namely, Italy and China. I believe that in such instances where nations apply for help outside the RFC plan they should be dealt with under special acts. In this way the American taxpayer would have the chance to know the facts concerning cases of outright aid. Proper investigations would determine the worthiness of the nation for full-scale help.

Under the Marshall plan, where administrative judgment determines the distribution of the assistance, the ability of a nation to share the cost will be the business only of the administrator.

It is also our opinion that the RFC plan will be kept under better congressional control than will the Marshall plan.

Since it is in the extreme interest of those opposing the spread of communism and state socialism internationally that a union of nations be formed through the reduction of trade barriers, I should like to interpose here the opinion that nothing in the substitute bill would interfere or prevent such an action. In fact, it is the opinion of qualified persons who have studied the plan that it will promote such a union.

The RFC plan as proposed in the substitute bill will afford private-enterprise interests of one nation to do business directly with private enterprise in another nation participating in the plan, thereby making mutual assistance an important factor in the success of both nations.

Before proceeding into the relief phase of the European problem as covered by the substitute bill, I want to point out that no provision is contained in this bill or is contemplated in any companion measure for the chartering of ships to foreign flags. A thorough study of this matter indicated that great harm to American shipping could be wrought by such a scheme. We believe that the rehabilitation of shipping in participating nations should be brought about under the RFC loan plan. Loans would be available for the building or buying of ships.

Now let us review the provisions in the substitute measure for direct relief.

First, I want to point out that we have provided for relief to Marshall-plan countries, and to others as well. An outright grant of \$2,000,000,000 to feed the hungry, clothe the ill-clad and warm the cold is set up in this section of the bill. It is planned to take this amount from the surplus funds of fiscal year 1948 which would not be felt in future tax requirements against our people.

We believe that the direct-relief needs should be separated from the recovery funds—one amount should not be hidden behind the other.

As has been said so many times on this floor and elsewhere, the American people are generous to the extreme. They do not shirk from the duty of humanitarian obligations. Every report of the needs of people in stricken nations was carefully studied in arriving at the \$2,000,000,000 figure. This amount, we believe, will also be sufficient for direct relief which is already anticipated for China, Korea, and Greece, but it must be remembered that this fund should play no part in economic recovery.

The substitute bill, for relief purposes, follows very closely the distribution plan under the full bill of the senior Senator from Michigan. We felt that direct relief, with its items definitely set out in the bill, could more readily be handled in the government-directed fashion. This system is not un-American. In fact, it is very much American. Our poor relief in this Nation is handled largely in this fashion and is supplemented by civic organizations.

I believe it will be found, Mr. President, that by the separation of direct relief



from recovery we will have a definite check on the expenditures for this purpose. The council provided in the Marshall plan bill is retained in the substitute bill for relief purposes.

There is no provision in the substitute bill to control exports from this country since the power to control exports of vital materials is already vested in the proper offices.

We are often guilty of ignoring laws we have already passed. This is best exhibited in this European recovery problem by the failure of Congress to recognize the purposes for which it helped to create the Export-Import Bank and the International Monetary Fund.

At this point I want to explain that the third phase of the European recovery problem, the stabilization of currency, is left out of the substitute bill since the Monetary Fund is already set up for that purpose and should be made to function. Of course, as explained earlier, the use of foreign investments as collateral for European economic recovery will go a long way toward solution of the stabilization problem.

Mr. President, I believe this approach toward world economic recovery and a lasting peace is a more secure method, and, in addition to its American principles, will be more within our own economic ability to meet the test.

Sponsors of the Marshall plan as proposed in Senate bill 2202 have stressed the point that Europe's needs could be met without a damaging strain on our economy since only 5 percent of our annual production would be needed. The point has not been stressed, though, that the 5 percent would come from that production of which we already are in short supply.

We must also take into consideration that to meet the full financial impact of recovery in those nations which have indicated participation, we are asking the American taxpayer to carry an unprecedented burden while foreign investments in our country are left untouched. It is pretty much like asking a man to mortgage his home so that he can loan the money to bet on a horse race.

Above all this, Mr. President, is the existing feeling that we must be prepared for certain eventualities in the event this plan for a lasting peace is not successful. In other words, we are possessed with the feeling that while we smoke the peace pipe we had better be loading our guns. This is another little matter the American taxpayer has in his thoughts today.

By coincidence, the day the senior Senator from Michigan addressed the Senate on the Marshall plan form of European aid, the Congressional Air Policy Board issued its report revealing a contended need for vast arms expenditures in the next few years.

I dislike the thought that the air-policy report and the Marshall plan or any other form of European aid have anything at all in common, but if we are to be honest with our consciences we must admit that they have very much in common. Our hopes for a free and peaceful world may rest in one or the other, or both. Since we admit the risk

in one we must necessarily hope for the assurance in the other. If we must back up our moves for peace with a show of strength, then let us make those moves on the basis of the Americanism in which we so strongly believe.

I, for one, am tired of fighting wars for the purpose of saving foreign philosophies. I am tired, too, of draining the resources of our system of government to support foreign forms of isms in which we have no interest.

This cannot be termed isolationism. I am and have been ready to meet our international obligations as a world leader, but I believe it is high time that we put those obligations on an American footing.

Only a few short years ago cries came from every quarter that if we did not enter the war a man named Hitler would conquer Europe, England, Asia, and north Africa and then he would conquer us. Do not shake your heads and say it is not true. Senators know it to be true.

Now the cries are coming again. This time they are saying that if we do not do something about it a man named Stalin will conquer Europe, England, Asia, and north Africa and then conquer us.

I am for stopping this bully, too, but I would like to see it done by hitting him right square in the teeth with a good solid punch of Americanism that would scatter a bit of freedom around this war-tattered globe. Let us hit him with American means, hit him with the private-enterprise system. Let us hit him with our type and kind of government. Let us not imitate state socialism and communism in fighting Mr. Stalin.

In his speech on March 1, the able senior Senator from Michigan said he believed dynamic America is ready to carry on. He is right. Dynamic America is always ready to carry on, but Mr. President, I believe that America will really be dynamic when it is supporting American principles.

Mr. President, in closing I wish to simply sum up as briefly as I can what the substitute bill would do.

The substitute bill would in no way delay the early need for relief in Europe, since the relief phase of the bill follows the provisions in S. 2202. No Senator can rise on the floor and truthfully say it would interfere one iota with the relief provided for in the pending measure, because the proposed substitute retains that section of the original bill which permits the Administrator appointed under the bill to proceed in a flexible way and to proceed with speed.

The substitute bill differs from S. 2202 in that it separates relief from recovery and fixes a definite amount of \$2,000,000,000 for relief and limits the Administrator to the determination and supervision of the relief phase only.

The substitute bill extends its relief to China, Korea, and Greece, or any other needy nation in addition to the European nations included in the Marshall plan.

The substitute bill differs from S. 2202 in the long-range recovery program for rehabilitation of agriculture and industry.

That is the difference between the two bills. In the substitute bill we retain the grants and gifts. We only change the bill in respect to long-range recovery.

The substitute bill includes all nations which wish to participate in the cooperative plan for that program and does not limit the plan to only those nations named in the Marshall plan.

It uses the Reconstruction Finance Corporation—a proven agency—as the agency through which we deal with the foreign recovery.

It provides for setting up European RFC's by the participating nations.

It provides for the matching of funds through the purchase of equivalent shares of stock in the foreign RFC's by the United States RFC and the foreign nation or its nationals.

It asks participating nations to use dollar credits against their dollar holdings to share in the cost of the recovery program.

It reduces the need for funds by creating a revolving fund for recovery loans.

The substitute bill requires a total of \$5,000,000,000 for relief and recovery; three billion for recovery, which would be an authorized loan to the RFC and not an appropriation, and two billion for relief, which would be taken from surplus funds and not direct taxation. Therefore, Mr. President, the immediate cost to the taxpayers under my plan would be \$2,000,000,000, not \$4,000,000,000, not \$5,000,000,000, because it would amend the Reconstruction Finance Corporation Act to permit the Corporation to borrow from the Federal Treasury up to \$3,000,000,000.

The substitute bill would require far less money and provide a recovery plan for 10 years instead of 5, as provided in the Marshall plan calling for \$17,000,000,000 over 4 or 5 years.

The substitute bill would in no way impinge upon the constitutional rights of the President and the Secretary of State.

The substitute bill would apply American principles to European long-range recovery.

Mr. President, I shall not ask unanimous consent that the Senate vote on the substitute measure at this time, but I shall offer it in due course. I am most hopeful that Senators will discuss the plan covered by it. I appreciate that the able Senator from Michigan [Mr. VANDENBERG], the chairman of the Foreign Relations Committee, has labored long over the Marshall plan bill. I have no particular criticism of that bill, except that I want to place the long-range recovery plan, if possible, on a private industry basis. I want to take it out of the hands, so far as possible, of our own Government and of the governments of the 16 nations participating. I believe the plan I have submitted to be a sound one. It will in no way interfere with quick action on the part of the Administrator, as called for in the committee bill plan to proceed immediately to help 16 nations.

I am hopeful Senators will earnestly study my proposal. I regret I did not conceive and write the substitute bill some 2 or 3 months ago. I am sorry the committee was unable to consider it. I



was unable to appear before the Senate Foreign Relations Committee with the plan, because it was not prepared in time. I simply did not have the bill prepared at that time. I did not conceive of the idea in time to submit it to the committee. I hope the Senate, however, will debate my substitute and consider it carefully, because I believe it to be an American pattern that might well be used not only at this time but in years to come to help foreign countries.

Mr. VANDENBERG. Mr. President, first I want to present my very warm personal compliments to my distinguished friend the Senator from Indiana, and to tell him that I have the very greatest respect for the thoroughly constructive work which he has obviously done with great pains and at great length upon this measure. His substitute represents a completely different approach to the question of European recovery through international cooperation and self-help. It is a very interesting approach. It is an approach which undoubtedly has a great deal to commend it, and I want to say again, before I make any further comment, that I think the Senator from Indiana is entitled to great credit for the constructive effort he has made in presenting his substitute and in approaching the entire subject from a thoroughly constructive standpoint.

Mr. President, the fact remains that my able friend from Indiana has brought us a totally new concept. While he has complimented the committee bill by borrowing much of its text, the fact remains that he is asking the Senate to agree to tear up the fundamental approach which has been built up through 8 months of the most intimate and careful study that a public problem can be given. He is asking us to abandon the recommendations of the only group in western Europe which offers us any hope of coordination and stability. He is asking us to abandon the recommendations of the executive departments, which are documented by the most complete studies I have ever seen in connection with a public question. He is asking us to abandon the viewpoint of the Harriman commission, which in my opinion is the most representative group of highly competent and seasoned Americans who ever gathered together to give their devoted attention to a great public question.

He is asking us to abandon the work of the Senate Foreign Relations Committee over a period of 4 long weeks of hearings and 2 weeks of committee consideration. He is asking us to abandon the basis of the entire Senate debate up to date.

He has a right to do that, because in doing it he has brought forward his own substitute and laid it on the table. That is a thoroughly constructive approach with which I cannot quarrel. But I am saying to the Senate and to my able friend from Indiana that I do not see how I can debate his substitute with him because, no matter what its values, I do not understand how it is a possibility for the Senate to abandon all the bases upon which we have been proceeding since last July in the development of a program which is intended to meet a situation which clearly comes to

crisis within the next 2 or 3 or 4 weeks, and which, if it is to be met at all, must be met promptly.

I do not see how it is a physical possibility for the Senate to give my able friend's substitute the attention which I freely concede it richly deserves. He has explained that he found it impossible to present his substitute even to the Senate Foreign Relations Committee for its consideration. I am sorry that he was unable to do so. I can well understand how the pressure of other matters prevented it. Not even the committee has had an opportunity to survey the tremendously intricate problem which is involved in the substitute which he presents.

Even in the consideration of the committee bill, Mr. President, which I repeat has 8 months of study behind it and an 8-month public record of the widest possible discussion, in spite of that fact, we have found during the past 10 days that words and phrases have been subjected to microscopic examination because of the anxiety of the Senate to be perfectly sure that there is nothing involved which is not obvious on the face of the language; to be perfectly sure that the commitments we are taking mean what they say, and that they are adequate. We have faced the experience of long debate over the import of sentences and paragraphs. It is perfectly obvious, it seems to me, as a sheer, unavoidable physical fact, that it is out of the question for us to give that sort of attention to the substitute submitted by the able Senator from Indiana.

Therefore, much as I regret it—and again saying to him that he has my profoundest respect for the work he has done upon the substitute and for the spirit in which he has approached the entire enterprise—I am bound to say to him that I do not see how it is possible for the Senate to accept such a substitute at the eleventh hour of a debate which cannot wait much longer for the hour of 12 to strike.

Therefore, I say to my friend from Indiana that, inasmuch as it is the general expectation that this debate will be concluded and the bill will be voted up or down by Saturday night of this week, I respectfully suggest to him that we might as well submit his substitute to a vote of the Senate now, in the immediate presence of the very able presentation which the Senator has made. I hope that that course will meet with the approval of the Senator from Indiana.

Mr. CAPEHART. Mr. President, I shall not do so, of course, but I might well say that inasmuch as the House Committee on Foreign Affairs has not yet reported a bill, and inasmuch as such action might well take many days, and possibly several weeks, a motion might be in order by me—which I shall not make—to recommit the entire bill to the committee, in order that it might take some time to study the proposal in which I am so sincerely interested. Possibly the committee would have sufficient time to study it and return it to the floor of the Senate for a vote as quickly as the House will pass the so-called Marshall bill.

Mr. President, I cannot agree with the able Senator from Michigan that there is sufficient difference between his bill and mine to warrant the statement that my substitute could not be considered by this body. We have retained in the substitute the over-all Administrator. In fact, we have retained 100 percent of his bill so far as it has to do with relief, meaning the moneys and the materials which we are to give away. If we should strike out the RFC sections of my substitute bill and pass it, we would have practically the committee bill.

The only difference between the two bills is that in the bill of the committee the Administrator—one man—handles both relief and the long-range recovery program. Under my bill the Administrator handles all the relief, just as he does in the committee bill; and he likewise cooperates and works with the RFC in handling the long-range plan. Under my bill we say to the Administrator, "Here is \$2,000,000,000"—perhaps it should be more or less. I shall not argue that point at the moment. I am talking about a principle. We say, "Here is \$2,000,000,000. Proceed and put the plan into effect. Proceed to do what you can immediately in Italy, prior to the elections on April 18. Take this money and stop communism and socialism, and do the things we want you to do, which are called for in the bill. But we are going to follow behind you, Mr. Administrator, with a good old American institution, the RFC, which we used in our Nation back in 1932 and 1933 when our Nation, too, had economic problems and troubles. We are going to follow behind you. We are going to try to build, through the RFC, a stable industry in these 16 nations. We shall try to do it in the American private-enterprise way. We are not going to try to help you bring about European recovery over a long period of time by means of anything but our American system."

That seems to me to be good, common horse sense. I do not believe we should say to one man, "You are to handle relief, and also the business arrangements." Relief is an entirely different problem, as compared with business. A man who is equipped to do a good job with relief may not be equipped to do a good job in business. I think the two should be separated. I cannot quite agree with the able Senator from Michigan. I see his viewpoint, and I am genuinely sorry I was unable to present this plan to the committee.

However, Mr. President, I still do not believe it is too late to consider this proposal, because when we enter upon this program it will continue for many years. History does not happen in 1 day or in 1 week or 1 year; history goes on for generations and generations. We are establishing a foreign policy here. We are mixing up relief and business in that connection. I do not believe they should be mixed up. I do not believe we should proceed in that way.

It may be that some changes should be made in the plan I have proposed; in fact, I am certain some should be. I am not sure that I have arrived at the correct amounts, in proposing \$2,000,000,000 for relief purposes and giving the



RFC the right to borrow up to \$3,000,000,000. I am not certain about that. I am sure that the President and the Secretary of State and others who are better informed on these matters than I am should have the right to pass on those questions.

I am pleading for thorough consideration of this proposal. I am pleading that we follow through at least in part in respect to our aid bill, and try to educate the people of the 16 foreign nations as to the kind of system we have in the United States and how we do things. I do not see how we shall ever solve the problems of Europe until the people of Europe adopt our system.

I believe that the able Senator from Michigan will agree with me in regard to the statement I now make about his bill: Under it we shall set up an administrator, and we shall authorize the administrator to purchase in our country billions of dollars' worth of materials, which our Government will own, and then ship those billions of dollars' worth of materials to the 16 nations. They, in turn, will take title to them, and will distribute them; but not in what we know as the American way. To the contrary, they will be distributed by the governments. I dislike very much to inject this particular phase of the matter into the discussion, but I am sure the able Senator from Michigan will not object. He might well be correct in his contention that the bill which Mr. Marshall proposes and which he endorses is better than the one I propose. But I ask this question: If we place this money and this material in the hands of those 16 nations, and permit them to do as they see fit with it, the final word as to the handling of that money and material will rest with the top-level government officials in those countries, although, of course, we understand that our administrator and our representatives over there will help them earmark the projects, and will say, for instance, "You cannot use it for this project, but you can use it for that one." I say that even though the goods and the money come from the United States, if they are used in that way, they will have as their end result a psychological effect upon the Frenchmen and Italians that will be almost the same as if the goods and money came from Communist Russia, because the principle of distributing and handling them will be about the same. They will be handled on the basis of government to government. Perhaps there is no other way in which to do it, Mr. President. I do not know. But I dislike to see the United States, the greatest nation in the world, with a form of government that has given our people more of everything than any other form of government known has been able to provide for its people, a government that has placed us in a position at this particular time to have dollars and materials with which to help other nations—I dislike very much to see us proceed except on some basis that will teach and show the people of Europe that they, too, might enjoy the same sort of government and the same sort of economy and the same high standard of living in the same way that we enjoy them.

So I should like to have this proposal made a part of the bill. I feel so deeply on this subject that I think I would be willing to say to the able Senator from Michigan, "Let us set up a little RFC, if you please. Let us make it a part of the bill, but not a part that the Europeans would have to accept. Let us so frame the bill as to say to them, in effect, 'You foreign nations do not have to accept this part of the proposal if you do not wish to. We are going on with the bill as written; but we have added this extra section, and if any of you would like to have us move in on a share-and-share-alike basis, using our RFC, a private corporation, we shall be happy to have you do so.'"

Mr. President, let us give them the opportunity, if we can.

Mr. BALDWIN. Mr. President, will the Senator yield to me?

The PRESIDING OFFICER (Mr. SALTONSTALL in the chair). Does the Senator from Indiana yield to the Senator from Connecticut?

Mr. CAPEHART. I am happy to yield to the Senator.

Mr. BALDWIN. Mr. President, I wish to say that I, a junior Senator, feel very proud to be in the Senate with a man of such great ability and such distinguished capacity and broad experience as the distinguished Senator from Indiana. As a Member of the Senate, I wish to thank him for the splendid contribution he has made to the thinking on this vitally important subject.

I should like to ask him whether there would be anything inconsistent if we were to pass the pending bill, as reported by the committee, and then have the Senator's bill referred to the Foreign Relations Committee for consideration.

My thought is that under the bill which has been reported by the committee, we shall have a congressional committee to watch the operation of the proposed procedure and to gage the effects of the operation of the committee bill. However, if the bill which has been reported by the committee is not a success, it may very well be that in the future we shall wish to make some changes, some different arrangements of some kind.

So it seems to me that it would not be inconsistent with passing the pending bill to have the Senator's bill referred to the committee for further study and, possibly in the future, adopt it in part, along with the present program. Would that be possible?

Mr. CAPEHART. Mr. President, certainly it would be possible; and if the Senate is unable to adopt my proposal at the moment, I hope that what the Senator from Connecticut has suggested will happen. If it is impossible to adopt my plan at this late hour—and I am well aware that the hour is late—I certainly hope that it will be considered at some future time.

Mr. VANDENBERG. Mr. President, may I comment on the suggestion made by the Senator from Connecticut?

Mr. CAPEHART. Certainly.

Mr. VANDENBERG. There is a great deal in what the Senator from Connecticut suggests, and it is in line with a

further comment which I was going to offer to my good friend the Senator from Indiana.

It is the theory of the Senator from Michigan in presenting this bill that we are dealing almost exclusively with speculations, at the present time. We do not know what are the realities we are going to confront in an effort to arrive at a successful objective in line with our hopes.

It is for that reason that the senior Senator from Michigan insisted upon cutting the time of the initial appropriation back to 12 months, so that the whole subject matter could be forced to a realistic survey at the earliest possible moment, namely, January of next year. Immediately when the new Congress meets it will confront the necessity of canvassing the entire subject on a basis at that time of experience and reality. We shall be freed of many of what at best are only the educated guesses that we could make today. We shall know by that time how the Administrator is satisfying our hopes. We shall by that time have the benefit of the Administrator's experience and what should be his high-priority recommendations. We shall know by that time what the crops in Europe will have been this year, and that in turn could be a factor of tremendous importance. We shall know to what extent the 16 western European countries are progressing in the direction of coordination and at least partial unification. We shall know by that time to what extent we have been able to consolidate at least three of the zones in western Germany, which, in the final analysis, is at the very core of the whole problem.

In other words, in the thinking of the Senator from Michigan, what we are doing at the moment is to launch hopefully, on the basis of the most thorough study that was ever given to any public problem in my time, the preliminary effort to achieve an objective to which we are all devoted. We are launching it on the expectation that it will confront its real audit for the first time next January, when the second year's appropriation must be made and when a study of the realities will be possible.

Mr. President, in line with the suggestion of the able Senator from Connecticut, if the Senator's substitute were referred to the Senate Foreign Relations Committee, I could assure him that whenever we could reach it, which will be after we have gotten through with the immediately pressing proposals that are pending, we could give it not only our own study, but we could get the reactions upon it that are so necessary from the related departments of government, which have the technical skills and the technical information necessary to deal with the technical phases involved.

I should think that when the real audit comes, which I repeat, in the prospectus of the Senator from Michigan, is only 9 months off, we should have the benefit of a thorough study of the Senator's very constructive idea. I think, if I may say so, Mr. President, that the Senator would be much happier if he could be assured of that sort of study, rather than, on a



basis which I know, in the candor that always marks his attitude, he would concede is scarcely fair to have the immediate judgment of the Senate on a matter of this utterly technical ramification, in many of its aspects, by voting "yes" or "no" upon a proposal which, I repeat, I know he will freely concede we cannot possibly explore adequately within the relatively brief moments at our disposal.

Mr. CAPEHART. Mr. President, is it the able Senator's thought that possibly during the next 9 months most of the Administrator's efforts will be on relief, and not on long-range recovery plans?

Mr. VANDENBERG. It is the Senator's view that relief will inevitably dominate the program most of the way during the 9 months; that the development of recovery programs at the most can only become in many instances tentative during the 9 months, because the Administrator must first set up his entire instrumentality of action. Bilateral contracts must be written, multilateral contracts must be written, missions must be created. I do not see how it is physically possible to go very far with the recovery program in a substantial way until we are pretty well approaching the second year.

Mr. CAPEHART. Mr. President, the danger that I see is this: I have always felt that a thing which was wrong in principle would not succeed. I have no quarrel with the gift phase of the so-called Marshall plan. My quarrel is with the long-range recovery aspect of it, a thing that goes on and on for years. What I am fearful of is that during the 9-month period we shall enter into bilateral and multilateral agreements; that we shall start; and that, at no stage of the negotiations of those agreements—the Senator might well argue to the contrary; he and I have discussed it—are we injecting what I call the American principle.

What I should like to do and what I believe the plan would do, is this: The RFC in 16 nations would be doing business with tens of thousands of small-business men. It would be encouraging little business and big business; it would be encouraging the people in those 16 nations, recipients of our aid, by a touch of the private-enterprise system which has been so successful in this Nation.

For example, I look back on the British loan. We loaned Britain \$3,750,000,000. It is all gone. I shall not take the time to argue how they spent it, but it is gone. They are back for another loan. I ask this question: Had we had the foresight at that time to say, "Yes, we will put up \$3,750,000,000 in a British RFC; you put up \$3,750,000,000, making a total of \$7,000,000,000; we will operate the British RFC on the same basis as that on which our own RFC is operated," I say to you, Mr. President, that the problem would be different in England today. If they had taken the money and used it as the RFC in America has used the money it has had in the past 16 years, the problem in England would be different today.

What happened? We gave them \$3,750,000,000. We gave it to the government, the socialistic labor government, Mr. President, if you please. They went forth and spent it, and it is all gone.

They have very little if anything to show for it. In England today they are further away from the private enterprise system than they were prior to the time we loaned them the money. They are going deeper into so-called state socialism instead of getting away from it. That is the fear I have.

I appreciate the difficulty of passing upon a new proposal on the floor of the Senate, but I believe that we are making a mistake. I intend no criticism of the able Senator from Michigan, because he, as chairman of the Foreign Relations Committee, must deal with situations as they exist, not as he would like them to exist. That is the problem of the Congress at the moment. We are called upon to deal with situations as they exist, not as we should like to have them exist, situations that might be entirely different if good common horse sense had been used over the past 30 years.

Mr. BALDWIN. Mr. President, will the Senator from Indiana yield?

Mr. CAPEHART. I yield.

Mr. BALDWIN. Mr. President, it seems to me that what the Senator has just said, that we are dealing with situations as they exist, is completely true. One of the situations which will exist, and one which it seems to me the committee bill very adequately meets, and which it seems to me the Senator's proposal does not meet, is the fact that in the reconstruction part of the program we are going to have to deal in Europe not only with individual businessmen and individual enterprises and industries, privately owned, in part, but we are also going to have to deal with enterprises that are publicly owned, owned by the government, railroads, for example, and public utilities, such as the coal mines. We shall have to meet that situation.

Mr. CAPEHART. That problem is taken care of under the substitute bill. It is provided that money may be loaned to existing government-owned utilities and institutions, but not for buying additional governmental facilities or building new governmental facilities. The very matter of which the Senator speaks is taken care of under the RFC phase of the substitute bill.

Mr. BALDWIN. Mr. President, will the Senator yield further?

Mr. CAPEHART. I yield.

Mr. BALDWIN. On that particular phase of the subject we may encounter the question of the legality of an agency of our Government, outside of the State Department, one which is in effect, an agency of the Congress, dealing with a foreign government as such.

Mr. CAPEHART. Mr. President, I should like to answer that point. The RFC would own half of the stock of the French RFC; the French Government would own the other half of the stock. It becomes a private corporation. It can sue and be sued; it can make a profit or lose money, just as can a private corporation. The Government has absolutely no responsibility for it. The Government purchased the stock, but it has no responsibility for it.

Let me refer to the railroad problem. The French Government owns the railroads. Let us assume that the French-

owned railroad system, which is a subdivision of the French Government, possibly needs \$100,000,000 for the purchase of new equipment. I do not know as to the exact amount. They would go to the French RFC, of which the United States would own half the stock and the French Government would own the other half of the stock, and borrow \$100,000,000. They would put up collateral and agree to repay the loan. They would borrow the money just as the Baltimore & Ohio Railroad borrowed approximately \$80,000,000 from our own RFC approximately 2 years ago. All except direct relief could be handled by the RFC.

Mr. BALDWIN. Does not the Senator's proposal accomplish by indirection what it seems to me could not be done directly? If the French Government or the British Government could establish a corporation in collaboration with this country, at least half of the corporation would be thoroughly beyond the control and jurisdiction of the United States, and we would have a sort of a two-headed proposition which might lead into great difficulty.

Mr. CAPEHART. Under the private enterprise system we cannot get away from stock interests which have equity rights, the right to vote, and so forth.

Mr. BALDWIN. I may say to the Senator that it is that feature of his program which appeals especially to me, but I am in the position of believing that we are faced with a situation which must be resolved within a very short time by a vote on the bill reported by the committee. I believe the Senator's program has great merit, and I should like to have the opportunity of considering it further.

Mr. CAPEHART. I appreciate that.

Mr. BALDWIN. At the same time I believe the opportunity of considering the Senator's measure further is far outweighed by the immediacy of the situation which necessitates dealing with the subject as best we can at the earliest possible moment.

Mr. CAPEHART. I might agree with that statement if it were not for the fact that under the substitute bill, so far as relief is concerned, involving \$2,000,000,000 or \$3,000,000,000, the Administrator would proceed, in my opinion, to do the things he has to do within the next 9 months, anyway, because, under the committee bill, he is permitted to make loans, and would use the instrumentality of the Import-Export Bank simply to service the loans. That institution services loans just as a bank makes collections.

Mr. JENNER. Mr. President, will the Senator yield?

Mr. CAPEHART. I yield to my colleague.

Mr. JENNER. Will the senior Senator from Indiana tell me, if he knows, what private industry did in the rehabilitating of Europe after World War I? Does he know how the work was handled at that time? I assume there was a war agency, and I assume that European peoples had to have help. We loaned them billions of dollars. Can the Senator answer that question?

Mr. CAPEHART. I do not know that I am qualified to answer it. They handled it themselves, I presume. They



seemed to enjoy quite a long period of prosperity after World War I. That was true of Germany and of other nations.

Mr. JENNER. As I understand, in the substitute bill the relief features go right along with the Marshall plan bill which is now before the Senate. Is that correct?

Mr. CAPEHART. Yes; 100 percent.

Mr. JENNER. I believe it has been admitted on the floor by the senior Senator from Michigan that so far as the economic aspect, the business-recovery aspect, of the problem is concerned, we shall be well along toward the second year of the Marshall plan before that phase of the pending bill will take effect. Is that the Senator's understanding?

Mr. CAPEHART. I think the very nature of the problem involved and the time required to pass upon loans and to transact normal business would indicate that it will require 8 or 9 months.

Mr. JENNER. That being true, I do not see what harm could come from considering that phase of the plan at this time.

Mr. CAPEHART. Of course I do not.

Mr. JENNER. It will require several months under the Marshall plan to go into the business-recovery angle. As I understand the statement of the senior Senator from Indiana, under the plan proposed by him there would actually be a saving to the American taxpayers of approximately \$3,300,000,000.

Mr. CAPEHART. If the loans were all good, all eventually repaid, and our Treasury should loan the RFC \$3,000,000,000—it would not be in the form of an appropriation, but merely a loan—and the \$3,000,000,000 were repaid, it would not cost the American taxpayers a penny. The fact is that they might make money on dividends and interest.

Mr. JENNER. Mr. President, will the Senator yield for one other question?

The PRESIDING OFFICER (Mr. IVES in the chair). Does the senior Senator from Indiana yield further to his colleague?

Mr. CAPEHART. I shall be happy to yield.

Mr. JENNER. Possibly I missed in the debate on the floor the great importance attached to having this great piece of legislation completed and finally passed by March 15, or by next Saturday night, to accomplish which we shall have to hold night sessions. Can the Senator explain to me the urgency of the legislation at this time, when the House has not even considered it? It has not been brought to the floor of the House. It will have to be debated in the House. Why should we be put under pressure, "under the gun," with the hour of 12 ready to strike?

Mr. CAPEHART. I am prepared to answer that question. I recognize that the time always arrives when a man must come to a decision. I appreciate the fact that we cannot debate legislation forever. But I should like to caution the Senate on this one matter. I believe I can say, without fear of successful contradiction—and I should be willing to debate the subject on any platform in the United States—that every international scheme into which this Nation has

entered during the past 30 years has failed to meet the purpose for which it was intended or has failed to accomplish the objectives which the American people were told it would accomplish.

Mr. LODGE. Mr. President, will the Senator yield?

Mr. CAPEHART. In just a moment. If that be a true statement, then it is time that we adopt a different approach to these problems. Possibly we should approach this problem from a different angle. Possibly we should take a little more time.

I am not saying that the substitute bill I have offered as an amendment is the answer to all the evils of the world or that it is a cure-all. I do not think it is. I think some of the situations in the world today, which have been brought about through no fault of the Senate or any Senator, are almost beyond curing.

The record of our leadership—and I am not thinking of any Senator of the United States, because Senators have not been in the position to dictate the high policies—has been nothing but failure. We have rushed into actions one after the other. We were called back into session last fall for interim aid to the extent of \$700,000,000, and we gave it. We rushed into these things, and I do not know whether it is because we rushed into them that we adopted schemes and policies which have been failures. All I know is that they have failed.

Mr. LODGE. Mr. President, will the Senator from Indiana yield?

Mr. CAPEHART. I am very happy to yield to the Senator from Massachusetts.

Mr. LODGE. Agreeing with the Senator that there has been a great deal of incompetence in the conduct of our foreign relations, and agreeing that there was a tragic lack of vision at the end of hostilities in World War II, I still think that accuracy should make us recognize that the pending bill has been prepared with a tremendous amount of care. It has been gone into from widely different angles, using the viewpoints of men in every walk of life.

In my judgment, the bill as it stands makes possible the procedures which the Senator from Indiana reaches in his substitute bill. In other words, if the Administrator finds that there is a condition in which it would be practical to set up the type of machinery the Senator from Indiana outlines, he could most certainly do it under the bill as it now stands. But we do not need to restrict him entirely to the method which the Senator from Indiana advocates.

Mr. CAPEHART. Will the Senator permit an interruption at that point?

Mr. LODGE. I desire to make just one more point. So far as haste is concerned, it is not a case of anyone in the Senate trying to crowd anyone else in the Senate. We are being crowded all over the world by the conspiratorial activities which are coming out of Moscow, which none of us control. There is going to be an election in Italy on the 18th of April. The outcome of that election is of interest to us, and competent observers say that the action which we take on the measure before us will have an effect. So it is not that anyone in the Senate is

trying to push anyone else in the Senate around. It is that the force of events being stimulated by another great nation is creating conditions in which prompt action is desired.

Mr. JENNER. Mr. President, will my colleague yield in order that I may ask the Senator from Massachusetts a question?

Mr. CAPEHART. I am happy to yield to my colleague.

Mr. JENNER. From the statement of the Senator from Massachusetts I take it that it is the plan of those handling the pending legislation to see that it passes the Senate and House and becomes a law before the Italian election on April 18.

Mr. LODGE. I can speak only for myself; I am only one Senator. I certainly hope it will become law long before the Italian election.

Mr. JENNER. That being true, I wonder if this might not turn into a blackmail racket, that we are always going to be confronted with some emergency some place on the earth—in China, perhaps South America, or at some other spot on the earth—and told that unless we do something, and do it quickly, we are going communistic. Does not the Senator think there is a great danger that we may be blackmailed all over the world if we are to take American dollars and buy off people, buy them off from becoming communistic?

Mr. LODGE. I do not think there is much chance of this country becoming communistic, but I think the bad conditions which exist in the world compel us to make some kind of a decision. If we say we are going to do nothing, that is a decision. Anything we do is a decision. But one thing we certainly cannot do is to say that foreign nations are merely a nuisance, that they are like a mosquito which comes in under the mosquito net, and we slap at it, but it keeps buzzing back, and is waking us up all the time. We have to face conditions in the world as they are, and I do not like them any more than does the Senator from Indiana. My hope is that we will be able to take steps which will gradually bring about a healthier condition.

Mr. JENNER. Mr. President, will my colleague yield?

Mr. CAPEHART. In a moment. I wish to ask the able Senator from Massachusetts a question. The Senator made the statement a moment ago that the Administrator could do everything under the committee bill we are suggesting in the substitute bill. Does the able Senator from Massachusetts mean that the Administrator, if he desired to do so, could direct our own Reconstruction Finance Corporation to buy half the stock in a Reconstruction Finance Corporation in any one or all of the 16 nations? I hope the Senator's answer will be in the affirmative, but I fear not.

Mr. LODGE. I cannot put my finger on the pertinent section of the bill, but it is my opinion that the Administrator, under the bill, is expected to receive the assistance of all the different departments of the Government.

Mr. CAPEHART. If the Senator is correct in what he has just stated, then what is wrong with a simple amendment



to the bill in which we suggest to the Administrator that he immediately explore the possibility of handling all the long-range recovery program through such a plan as we advocate in our substitute?

Mr. BALDWIN. Mr. President, will the Senator yield?

Mr. CAPEHART. I promised to yield to the junior Senator from Indiana.

Mr. LODGE. If the Senator will permit, I do not think such language is necessary.

Mr. JENNER. Returning to the colloquy between the junior Senator from Massachusetts and myself in regard to action in the present, he said hitting mosquitoes here and there was not working, that we had to do something quickly, that some decision must be made. It was my impression that early in this Congress, last year, Congress took action to stop the spread of the very menace of which we are supposedly attempting to bribe Italy not to become a victim on April 18, that is, communism.

Mr. LODGE. We are not going to bribe Italy. There is nothing like that.

Mr. JENNER. A year ago we adopted a doctrine known as the Truman doctrine, and it was said, "We will stop communism wherever it rears its ugly head." We invested \$400,000,000 in Greece and Turkey to accomplish that objective. I assume that doctrine is still intact. I presume we are now to back it by \$275,000,000 more. But when communism rears its ugly head in Finland—and Finland has been one poor little nation that has paid its debt—we do not do anything. We do not even condemn it. When it reared its ugly head in Czechoslovakia week before last we did not do a thing, we did not even serve a protest. I do not know whether we are going into an arrangement under which we will be blackmailed all over the world.

Mr. LODGE. I always thought that the term Truman doctrine was very unfortunate, and not at all descriptive, and I have never subscribed to that idea at all. I do think that what we have done in Greece and Turkey in the last year has been, on the whole, quite successful. We can get into Greece and Turkey, because the Mediterranean runs in there, and we can get to those countries with our ships. We cannot get into Czechoslovakia and cannot get into Finland, so we confront a practical problem there.

Mr. FLANDERS. Mr. President, will the Senator from Indiana yield?

Mr. CAPEHART. I yield to the Senator from Vermont.

Mr. FLANDERS. I should like to say to the senior Senator from Indiana that I am very much intrigued by his proposal. I am not going to vote for it if it is brought to a vote in the form of a substitute bill. I am very much impressed by the necessity for speed, and I should like to say just a word about that necessity.

In the months I have been a Member of the Congress, I have many times felt the pressure of crisis psychology applied to us by the administration. That is the way in which this administration has worked in order to get legislation through.

I view the present situation, however, as something entirely different. The present crisis is one which we ourselves see, which we ourselves evaluate, which is not suddenly presented to us by the administration as a means of getting particular action and prompt action.

Let me call the attention of the Senator from Indiana to one of the things which troubles me respecting his proposal. I would not vote \$2,000,000,000 for relief. I would only vote sums for relief at this time which are directly connected with recovery, and that is what the pending bill provides. I would call the Senator's attention to the heading of section 40 on page 46 of the committee report which is The Purpose Is Recovery, Not Relief.

In view of that fact I suggest to the Senator from Indiana that, "to implement his idea," to use a favorite phrase, it would be necessary to reconsider the form of his substitute bill so as to tie the recovery part of it into the relief, and have no other relief involved in it. I would not spend money in Korea, I would not spend money in China, I would not spend money in Cambodia, I would not spend money in Baluchistan, I would not spend money in Franz Josef Land. I would only spend under this bill the sums of money for relief that were an integral part of the recovery program. So I would want to insist, if I were going to give any extended measure of support to the Senator's proposal—and I hope in due time to do so—that the question of relief as relief must be removed from his substitute bill. This is one of the points which makes more careful and extended consideration necessary.

Mr. CAPEHART. Since the Senator considers the situation from that viewpoint he then will be unable to vote for the committee bill, because the committee bill proposes to appropriate \$5,300,000,000, and the Administrator can spend every penny of it if he wants to do so, for relief.

Mr. FLANDERS. But he is required to spend it for relief as an integral part of the recovery program.

Mr. LODGE. Mr. President, will the Senator yield?

Mr. CAPEHART. I yield.

Mr. LODGE. The Administrator is supposed, with respect to every single nickel of expenditure, to get an understanding and an agreement from the foreign countries that they will do certain things.

Mr. CAPEHART. That is the idea.

Mr. LODGE. So far as I am concerned, I would be opposed to the Senator's plan to appropriate \$2,000,000,000 for relief. I think we have come to the end of that road. The Senator is much more liberal and open-handed with gifts than I would be. I do not want to expend a single dollar unless the Nation which receives it undertakes to do certain things toward helping its own recovery, so that we will not have to be doing the same thing year after year.

Mr. CAPEHART. Of course the Senator from Massachusetts knows that under the provisions of the substitute bill, as well as the committee bill, not one penny can be spent for relief purposes

or recovery purposes until bilateral agreements have been entered into between the nations involved and our Government, through our Secretary of State.

Mr. LODGE. The Senator's substitute bill fixes a definite amount of \$2,000,000,000 for relief.

Mr. CAPEHART. Under it we would appropriate up to \$2,000,000,000.

Mr. LODGE. It provides a definite amount of \$2,000,000,000. That is what the Senator stated in his address.

Mr. CAPEHART. The interesting thing at the moment is that those who would vote for the proposal for \$5,300,000,000, knowing that the Administrator has the right, under the provisions of the bill, to give it all away, to do practically as he pleases with it, now say they would not vote for the proposed \$2,000,000,000; they do not want to provide for any relief, and they will not vote for anything in the way of relief. That is an inconsistent position.

Mr. FLANDERS. Mr. President, will the Senator yield?

Mr. CAPEHART. I yield.

Mr. FLANDERS. I think I can finish what I had begun to say in a moment or two. Relief, purely as relief, is not contemplated in the bill, and I am "agin" it anyway. We cannot afford to do such a thing the world over.

Mr. CAPEHART. Can we afford to provide \$5,300,000,000?

Mr. FLANDERS. We can for recovery.

Mr. CAPEHART. For what?

Mr. FLANDERS. For recovery.

Mr. CAPEHART. Under my plan of recovery it will not cost the taxpayers a penny.

Mr. FLANDERS. Mr. President, I started out by saying that I was very much intrigued by the Senator's proposal.

Mr. CAPEHART. I appreciate the compliment.

Mr. FLANDERS. Under the bill for which the Senator's proposal is a substitute, provision is made for continued surveillance by the two Houses of Congress of the operations of European recovery. Reference of the substitute bill to the Foreign Relations Committee, as I hope will be done, may result in the very valuable suggestions which the Senator has made being incorporated in legislation later on. That in my opinion is not for today. His proposals require further study and, if approved, incorporation into the structure of the organization which the pending bill would set up.

Mr. CAPEHART. Mr. President, I appreciate the many compliments which have been extended me by the many able Senators that my proposal is possibly a splendid idea, but that the time has not arrived to carry it out. I ask the question: Has not the time always arrived to do the right thing?

Mr. WHERRY. Mr. President, will the Senator from Indiana yield so I may propound a question to the able Senator from Massachusetts [Mr. LODGE].

Mr. CAPEHART. I shall be very happy to yield for that purpose.

Mr. WHERRY. I should like to inquire of the distinguished Senator from Massachusetts what section he relies upon when making the statement that there is authority contained in the bill



which will permit the set-up of the RFC, as suggested by the distinguished Senator from Indiana?

Mr. LODGE. My quick answer to the Senator from Nebraska is—and it will have to be a quick answer—that on page 18, line 10—

Mr. WHERRY. Subsection 2?

Mr. LODGE. Yes; we find the language:

By utilizing the services and facilities of any department, agency, or establishment of the Government as the President shall direct, or with the consent of the head of such department, agency, or establishment—

And so forth.

Mr. WHERRY. There is nothing in that language which gives him authority to do that.

Mr. LODGE. The language authorizes the—

Mr. WHERRY. The cooperation of the agencies; yes.

Mr. LODGE. Oh, no. The language is "utilizing the services and facilities of any department, agency, or establishment of the Government." That is not cooperation. That is utilization.

Mr. WHERRY. The reason why the subsection was included was to accomplish the purpose which the distinguished Senator suggests?

Mr. LODGE. I think that is one of the things that some of the members of the committee had in mind. This idea of an RFC is very interesting. Some other distinguished citizens have also written about it and talked about it, and I can very well imagine that there will be instances, in the case of certain situations, where it will be the practical thing to do.

Mr. WHERRY. Let me ask the Senator from Massachusetts if there was ever a legal opinion submitted that would permit the set-up which has been requested by the Senator from Indiana?

Mr. LODGE. I do not know whether there was or whether there was not.

Mr. WHERRY. Did the Senator ever inquire into the matter?

Mr. LODGE. But I do not have a doubt in my mind that if the Administrator decided that that was the most expedient way to deal with the situation in a certain country, he could go ahead under the bill, with the approval of the President, and do so.

Mr. WHERRY. I should like to suggest to the distinguished Senator from Indiana that it is my interpretation of the subsection that it does not grant the legal authority suggested.

Mr. CAPEHART. Mr. President, I should like to ask the able Senator from Michigan a question. Would the Senator from Michigan be willing to amend his bill, in the subsection just read by the Senator from Massachusetts or elsewhere, by specifically and definitely providing that if in the best judgment of the Administrator the RFC method could be used, he would have the right to do so? In other words, it is the opinion of the able Senator from Massachusetts that the Administrator would have the right to use the RFC under the bill as written. Would the Senator from Michigan be willing to amend the bill so that it would be specific on that point, so there would be no question about it?

Mr. WHERRY. To accomplish what the Senator from Indiana seeks to accomplish is another thing.

Mr. CAPEHART. Yes; I appreciate that.

Mr. VANDENBERG. Mr. President, the difficulty I confront in answering the Senator's question is that I would not know what is the definition of the phrase contained in those few words. I would think it rather dangerous to start attempting to identify formulae.

Mr. CAPEHART. I merely asked the question because the able Senator from Massachusetts in his argument against my substitute said that the Administrator now has the right, and, if in his good judgment he wanted to, could use the facilities of the RFC and have the RFC loan money to foreign countries, and buy stock in foreign RFC's. I think he is wrong, but he might well be right.

Mr. VANDENBERG. I would not undertake to pass upon the question. It is a legal question. But the Senator from Massachusetts might well be right.

Mr. CAPEHART. Yes; I agree with that. He might well be right, but I am afraid he is wrong.

Mr. VANDENBERG. The fundamental point to which the Senator from Indiana and I again come back, and where we began an hour and a half ago—the fundamental point with me is in my appeal to my friend, that the whole enterprise will be passing under review within 9 months. It is going to be reviewed in the presence, we hope, of a report from the so-called watchdog committee which, if it functions with any such relative degree of success as the kindred Joint Committee on Atomic Energy has functioned, will put the Congress next January in the position of having dependable realities with which to come to grips. I may say to the Senator that if at that time there is anything that is not evolving in a satisfactory fashion we can change it, and we should change it. If at that time the plan is showing a happy degree of success, the Senator from Indiana will be one of the first to say that it ought to proceed. If it is showing signs of inefficiency and decay, the Senator from Michigan will be one of the first to say that it ought to be changed. In the light of the situation which we confront—and we do confront a condition and not a theory—it seems to me that the practical thing to do is to refer the Senator's proposal to the Senate Committee on Foreign Relations, and not submit it to a vote in the Senate at the present time. On the other hand, if the Senator desires a vote, I respectfully suggest to him that we arrange to have it at a time which suits his convenience, so that we can get on with this terrifically important job.

Mr. CAPEHART. Mr. President, I assure the able Senator from Michigan that I shall not delay the final vote on the bill. At the moment I want a vote on it. But let me say, in answer to the point about haste in meeting the Italian election, which is approximately 6 weeks away, that under either the committee bill or the substitute bill the Administrator could proceed, if he cared to do so, to use \$500,000,000 in Italy, if the bill were passed prior to the Italian elections. It would not in the least inter-

fere with his immediate functioning in Italy. He could proceed to do what he could do, and the only thing he could do, whichever bill passed the Congress.

Mr. LODGE. Mr. President, will the Senator yield?

Mr. CAPEHART. I yield.

Mr. LODGE. Let me say to the able Senator from Indiana that it is not a question of funds going into Italy. I presume that that situation is pretty well organized now. It is a question of the psychological effect over there which will result from an assurance that this country is interested in what happens in Europe. It is not a question of funds which may be made available under this bill, because they would not be made available in time to affect anything.

There is a question of the attitude which the United States is to take toward the whole imperialistic threat; and the action of the Congress on this bill be regarded as an indication of the American viewpoint.

Mr. CAPEHART. My opinion is that the psychological effect on the Italian people would be just as good under one bill as under the other. I do not think we need to make haste to pass one bill, as against another, because of the psychological effect on Italy. If I correctly judge the temper of the Italian people at the moment—and I have been in that country—only a small percentage of the people will know what we do or do not do in the Congress of the United States in respect to this bill. Perhaps only one-thousandth of 1 percent of the people will ever read the bill or know what is in it, or understand it. Only a very small percentage of the people will ever know whether we are helping them or not. I may well be mistaken in that judgment.

Mr. VANDENBERG. Mr. President, will the Senator yield?

Mr. CAPEHART. I yield.

Mr. VANDENBERG. Would the Senator agree to a unanimous-consent request to vote upon his substitute without further debate or amendment, either at 5 o'clock this afternoon or when the Senate reconvenes at 12 o'clock noon tomorrow?

Mr. CAPEHART. I shall be very happy to agree to a vote at 2 o'clock tomorrow.

Mr. VANDENBERG. Mr. President, I make such a unanimous-consent request.

The PRESIDING OFFICER. Is there objection?

Mr. REVERCOMB. Mr. President, reserving the right to object, what was the hour suggested?

Mr. CAPEHART. The hour suggested by the able Senator from Michigan was either 5 o'clock today or 12 o'clock noon tomorrow. My counterproposal was to vote at 2 o'clock tomorrow afternoon.

Mr. REVERCOMB. I hope the Senator will not agree to the proposal at this time, and that that question may be passed for a few moments.

The PRESIDING OFFICER. Objection is heard.

Mr. CAPEHART. Mr. President, I think that is about all I care to say on the subject at this time.

Mr. WHERRY. Mr. President, will the Senator yield?

Mr. CAPEHART. I yield.



Mr. WHERRY. There is one feature about the proposal of the distinguished Senator from Indiana which I had considered prior to coming back to this session of the Congress. I am not sure whether the Senator intended to have it embodied in the substitute bill, or whether he had thought about it.

It seems to me that if there could be a provision in whatever bill is enacted whereby the RFC could function as has been outlined by the distinguished Senator, it would have at least one wholesome effect. With respect to the loans which are made privately, or even to the municipal corporations or governmental corporations which now exist, there would be, to a certain extent, policing on the part of the RFC—and I hope there will be such policing on the part of the Administrator if the Senator's proposal is not adopted. I hope that there will be an inducement to local capital in the respective countries to invest in these projects—either in the bank itself or in the projects for which money is made available. I suggest to the distinguished Senator that that is one thing which surely should be stressed to the *nth* degree, because if we do not insist that the capital belonging to citizens of foreign countries be used to build up their own industries, certainly there will be a wholesale demand made to come to the United States taxpayers and get the money. That will be the result if we bypass local capital, or even the money which is invested in the United States. I believe there is a section of the bill devoted to the effort to induce local capital in the respective countries to invest in these projects.

I wish to compliment the distinguished Senator from Michigan for going as far as he could to reveal how much of such capital is here, and what the investments are. There has been a great deal of loose talk about the amount of foreign capital invested in the United States. Estimates run all the way from \$12,000,000,000 to \$18,000,000,000. It seems to me that if an inducement cannot be made to citizens of foreign countries to invest in these projects, we shall be going a long way toward requiring citizens of the United States to make the investment, because without such an inducement the citizens of foreign countries will not invest their funds in their own institutions.

Furthermore, if local capital is invested in the RFC of the particular country, or if it is invested in the individual projects, there will be citizens in each community who will police the loan, and also the Government, to see that the financial arrangements are satisfactory. I do not recall any statement on that subject in the Senator's formal address, but I ask him if that object would not be accomplished if either the pending bill or the Senator's substitute should contain a section providing for the organization of a local RFC on the basis he has suggested.

Mr. CAPEHART. Of course, the substitute bill calls for our RFC to buy half of the stock in the respective Reconstruction Finance Corporations in the 16 European nations, we furnishing half the capital and they furnishing the other

half. They would obtain their half of the capital from their present investments in the United States. Those investments would be put up as collateral. We would not disturb the investments. They would merely be put up as collateral.

It might interest the Senate to know that the British Government borrowed six hundred million or seven hundred million—or perhaps it was only four hundred and fifty million—from our own RFC. The British Government put up as collateral for that loan its investments in our own country, and the investments of its nationals. They retained title. They even received the interest and dividends. Such dividends and earnings amount to approximately \$97,500,000 a year. They would be using the earnings on approximately \$900,000,000 worth of investments which they have in our country, to pay back the \$450,000,000 loan. In asking the foreign governments to put up half the capital, we would only be asking them to use as collateral the investments they now have in the United States, and they would retain title to those investments and would receive the earnings from them. They would lose them only if, as, and when their own RFC, that is, the one in their own country, might become defunct and bankrupt. If they managed this matter properly and if it was successful, the whole business would not cost the countries of Europe or our own taxpayers one penny; all of it would be done on credit.

Mr. LODGE. Mr. President, will the Senator yield to me?

Mr. CAPEHART. I yield.

Mr. LODGE. I should like to point out that the bill as it now stands provides, on page 29, in line 11, that the investments of foreigners in the United States shall be efficiently and practically used and shall be located and controlled in the interests of this Marshall plan. In other words, as the bill now stands, it contains provision for the machinery to see to it that the assets of foreigners in the United States shall bear their fair share of the load under the Marshall plan.

Mr. CAPEHART. I agree, Mr. President. They will be used by their own respective governments. There is no question about that. But I do not think that is the point involved here. I am suggesting the RFC plan in order to cut down the cost to our own taxpayers.

Mr. LODGE. But if the Administrator locates and controls and makes efficient and practical use of these foreign assets, as provided in this bill, that will reduce the cost of this program by just that much.

Mr. WHERRY. Mr. President, will the Senator yield to me?

Mr. CAPEHART. I yield.

Mr. WHERRY. I say that what the Senator from Massachusetts has just suggested is correct, if the Administrator does actually make use of the foreign investments and assets in that way. But under the program as now suggested by the Senator from Indiana, that would be a part of the loan. An inducement would be made in that way.

The suggestion made in the committee bill simply means that the Administrator shall attempt to have the foreign assets spent on the recovery program. But in the particular program which the Senator from Indiana has advanced there would be an inducement to foreign capital to invest in an RFC which, in turn, would make the scores of loans which would be negotiated. The substitute bill provides an inducement. There is quite a difference between making a loan in a case in which a party becomes a partner—as would be the case under the substitute bill—and the provision now in the bill which simply says that the Administrator is to attempt to induce those who have flight capital in the United States—stocks and bonds—to invest in their own country.

Mr. LODGE. Mr. President, let me say to the Senator from Nebraska, if the Senator from Indiana will permit—

Mr. CAPEHART. I yield.

Mr. LODGE. Let me say that the inducement under the language of the present bill is very much greater than the inducement under the plan the Senator from Indiana is discussing, because under the present bill there is the force of law, with the recipient countries' governments behind it, and that is a very powerful inducement, indeed.

Mr. WHERRY. Yes; but in the final analysis, what is the result?

Mr. LODGE. These assets can be pledged to the support of the Marshall plan.

Mr. WHERRY. Would the Administrator make them pledge the assets to the support of the plan?

Mr. LODGE. No. The Senator from Nebraska is trying to get me to say something that I will not say. He is trying to get me to say that there is going to be a forced liquidation of foreign assets. However, I do not agree that that will happen. The Senator from Indiana does not want it, either, and neither does the Senator from Nebraska. So here we have just another attempt to draw a red herring across the trail.

Mr. WHERRY. Mr. President, I thank the Senator from Massachusetts. That is the point I am making. In short, we cannot force them to invest. It would be against all American tradition and policy to attempt to make them do so.

The new proposal would have them make loans to the industries of their own countries. To that extent the new proposal is a broad and expanded plan.

If the Senator from Massachusetts says it can be done under this section of the pending bill, perhaps this matter can be ironed out. But certainly I think the Senator from Indiana has a very good point.

Mr. LODGE. Certainly he has a good point.

Mr. WHERRY. Certainly he has a good point in attempting to induce foreign capital to invest in the institutions of its own country, by taking that capital out of the United States willingly, and using it to build up their own industries, as a part of their own assets and their own program—rather than to have us do it, and then have them keep



their capital and their investments in the United States.

Mr. LODGE. Of course the Senator has a good point.

Mr. WHERRY. Certainly.

Mr. LODGE. Mr. President, if the Senator from Indiana will further yield, let me say that it seems to me that the idea that as a result of this bill the people of Europe will make their own maximum contribution to their own welfare, in whatever way they can—by their own work or their own investments, or by whatever other means—is absolutely implicit to this bill. That is the whole point of it, and it runs through the entire language of the bill.

That is why I agree that the idea of the Senator from Indiana is a good one. It is so good that everyone else has had the same idea, and we have been trying to frame a bill which will result in the maximum amount of European self-help.

Mr. CAPEHART. Mr. President, the substitute plan is, in my opinion, more definite in respect to the subject we have been discussing. I agree that what the able Senator from Massachusetts stated a moment ago is true, but it deals in generalities. What he tried to tell us was, "Yes; under the bill the 16 nations must try to find their dollar investments in the United States, and they must use them; and as a result of using them, they will need less money from our Administrator." That is what the Senator from Massachusetts was trying to say, and I think that is what he did say. That is true; but the Senator still forgets that we are going to appropriate \$5,300,000,000 to the Administrator, although it is true that he will not have to use it if he does not want to.

But under the substitute bill the governments of the 16 nations must put up half of the capital. We would put up half and they would put up half. They have the capital in the United States at the moment. We do not ask them to liquidate those holdings. We would not confiscate those holdings. We ask them simply to put up those holdings as collateral against their investment in their own RFC, one-half to be invested by them and one-half by ourselves. That is all we ask them to do. They would retain the title to their holdings, and they would receive all the earnings from their holdings. If their own national reconstruction finance corporation, of which they would own one-half and we would own one-half, is successful, they will continue to own and control their dollars in this country.

Mr. President, I have finished, at least for the time being, on this subject. I thank the able Senator from Michigan for his kind consideration.

The PRESIDING OFFICER. Does the Senator from Indiana yield the floor?

Mr. CAPEHART. I do.

#### LIST OF UNITED STATES PERSONNEL PARTICIPATING IN THE PREPARATION OF THE EUROPEAN RECOVERY PROGRAM

Mr. WILSON. Mr. President, I have had numerous requests from the people of Iowa for a list of those persons connected with the executive department who had to do with the European recovery program. In response to that request I communicated with the ex-

ecutive branch of the Government and there has been handed me a list of United States personnel participating in the preparation of the program. The list does not include any persons from the legislative branch. I ask unanimous consent that as a part of my remarks this list, together with the table of contents, be printed in the RECORD.

There being no objection, the list and table of contents were ordered to be printed in the RECORD, as follows:

#### LIST OF UNITED STATES PERSONNEL PARTICIPATING IN THE PREPARATION OF THE EUROPEAN RECOVERY PROGRAM

##### (Table of contents)

- A. Advisory Steering Committee on European Recovery Program.
- B. Executive Committee on Economic Foreign Policy (ECEFP).
- C. National Advisory Council (NAC).
- D. Policy Planning Staff of the Department of State.

- E. Substructure of the major committees:
  - (1) Advisory Steering Committee:
    - (a) Objectives Subcommittee.
    - (b) Correlation Committee and staff group.
    - (c) Organization and Administration Committee.
  - (d) Legislative Drafting Committee.
  - (e) Functional and Commodity Committee:

- 1. Food and agriculture.
- 2. Fertilizer.
- 3. Agricultural machinery.
- 4. Coal.
- 5. Mining machinery.
- 6. Electric power.
- 7. Petroleum.
- 8. Iron and steel.
- 9. Inland transport.
- 10. Maritime transport.
- 11. Timber.
- 12. Manpower.

- (f) Country committees: Coordinating group:

- 1. Austria.
- 2. Belgium—Netherlands—Luxemburg.
- 3. France.
- 4. Greece.
- 5. Italy.
- 6. Scandinavia.
- 7. Switzerland—Portugal.
- 8. Turkey.
- 9. United Kingdom and Ireland.
- 10. Western Germany.

- (2) Executive Committee on Economic Foreign Policy: Subcommittees for ERP:

- (a) Working group on relationship between the ERP and the UN and specialized organizations.
- (b) Working group on the relationship between ERP and ITO.
- (c) Working group on domestic controls needed to implement the ERP.
- (d) Working group on strategic materials.
- (e) Working group on manpower report.
- (3) National Advisory Council: Staff committee.

#### A. ADVISORY STEERING COMMITTEE ON EUROPEAN RECOVERY PROGRAM

Chairman: Robert A. Lovett, Department of State.

Vice Chairman and Executive Secretary: Charles H. Bonesteel, Department of State.

Secretary: Melvin L. Manfull, Department of State.

Members: Charles Murphy, the White House; Thomas C. Blaisdell, Jr., Department of Commerce; Frank A. Southard, Treasury Department; N. E. Dodd, Department of Agriculture; James Boyd, Department of the Interior; Col. R. M. Cheseldine, Department of the Army; Admiral E. T. Wooldridge, Department of the Navy; J. Burke Knapp, Federal Reserve; Philip M. Kaiser, Department of Labor.

Alternates: Paul H. Nitze, Lincoln Gordon, Henry Labouisse, Department of State; Robert Turner, the White House; Thomas J.

Lynch, L. M. Pumphrey, Treasury Department; Jesse Gilmer, Fred D. Northrup, Department of Agriculture; Capt. Nathan H. Collisson, Department of the Interior; Lt. Col. Philip Shepley, Department of the Army; Capt. Y. J. Tichenor, Department of the Navy; Alexander Gerschenkron, Lewis Dembitz, Federal Reserve; Willard L. Thorp, Department of State.

#### B. EXECUTIVE COMMITTEE ON ECONOMIC FOREIGN POLICY

Chairman: Willard L. Thorp, Department of State.

Executive Secretary: Eleanor E. Dennison, Department of State.

Members: Frank H. Southard, Jr., Treasury Department; Clinton P. Anderson, Department of Agriculture; Thomas C. Blaisdell, Department of Commerce; Philip Kaiser, Department of Labor; C. Girard Davidson, Department of the Interior; Thomas J. Hargrave, National Military Establishment; Oscar B. Ryder, United States Tariff Commission; J. Burke Knapp, Federal Reserve Board.

Alternates: Morris J. Fields, Treasury Department; Charles Brannan, Department of Agriculture; Frank Shields, Department of Commerce; Faith M. Williams, Department of Labor; Arthur S. Barrows, National Military Establishment; Lynn R. Edminster, United States Tariff Commission.

#### C. NATIONAL ADVISORY COUNCIL

Chairman: John W. Snyder, Treasury Department.

Secretary: John W. Gunter, Treasury Department.

Members: George C. Marshall, Department of State; W. Averell Harriman, Department of Commerce; Marriner S. Eccles, Board of Governors, Federal Reserve System; William McC. Martin, Jr., Export-Import Bank.

Alternates: Frank A. Southard, Treasury Department; Willard L. Thorp, Department of State; Thomas C. Blaisdell, Jr., Department of Commerce; J. Burke Knapp, Federal Reserve System; Herbert E. Gaston, Export-Import Bank.

#### D. POLICY PLANNING STAFF OF THE DEPARTMENT OF STATE

Director: George F. Kennan, Department of State.

Executive Secretary: Carlton Savage, Department of State.

Members: Jacques J. Reinstein, Department of State; Joseph E. Johnson, Department of State; Ware Adams, Department of State.

Consultant: Edward S. Mason, Harvard University.

#### E. SUBSTRUCTURE OF THE MAJOR COMMITTEES

##### (1) Advisory Steering Committee

##### (a) Objectives Subcommittee

Chairman: George F. Kennan, Department of State.

Executive Secretary: Bromley K. Smith, Department of State.

Members: Charles H. Bonesteel, Department of State; Willard Thorp, Department of State; Thomas C. Blaisdell, Jr., Department of Commerce; Frank A. Southard, Treasury Department.

Consultants: Jacques J. Reinstein, Department of State; John D. Hickerson, Department of State; Samuel Reber, Department of State; Loy W. Henderson, Department of State; W. Walton Butterworth, Department of State.

##### (b) Correlation Committee

Chairman: Charles H. Bonesteel, Department of State.

Executive secretary: Col. Sidney Giffen, Department of the Army.

Secretary: Stanley Phraner, Department of Commerce.

<sup>1</sup> Has liaison representation on ECEFP; for Marshall plan discussions considered full member.



Members: Paul H. Nitze, Lincoln Gordon, Department of State; Frank A. Southard, Treasury Department; Thomas Blaisdell, John M. Cassels, Department of Commerce.

Staff group for Correlation Committee  
Chief: Charles P. Kindleberger, Department of State.

Members: Harold R. Spiegel, William T. Phillips, William H. Bray, Jr., Wilfred Malenbaum, Ben T. Moore, Robert W. Tufts, Harlan P. Bramble, Department of State.

(c) Organization and Administration Committee

Chairman: Lincoln Gordon, Department of State.

Executive secretary: Herman Pollack, Department of State.

Secretary: John L. Kuhn, Department of State.

Members: Arthur A. Kimball, Department of State; Thomas J. Lynch, Treasury Department; Nathan Ostroff, Department of Commerce; Thatcher Winslow, Labor Department; Dan Wheeler, Department of the Interior; J. Burke Knapp, Federal Reserve Board; W. Carroll Hunter, Department of Agriculture; Lt. Col. John P. Buehler, Department of the Army.

Alternates: Joseph A. Frank, Arthur G. Stevens, Wayne G. Jackson, Walter S. Surrey, Department of State; Joseph B. Friedman, Treasury Department; Daniel L. Goldy, Department of the Interior.

(d) Legislative Drafting Committee

Chairman: Ernest A. Gross, Department of State.

Members: Thomas J. Lynch, Treasury Department; Adrian Fisher, Department of Commerce; Martin G. White, Department of the Interior; W. Carroll Hunter, Department of Agriculture; Jeter S. Ray, Department of Labor; Maj. Gen. Thomas H. Green, Department of the Army; Hudson B. Cox, Department of the Navy; George B. Vest, Board of Governors, Federal Reserve System; Wade H. Skinner, Maritime Commission; Hawthorne Arey, Export-Import Bank of Washington.

Alternates: Walter S. Surrey, Michael H. Cardozo, Robert B. Eichholz, Department of State; Joseph B. Friedman, Elting Arnold, Clifford Hynning, Treasury Department; Nathan Ostroff, J. P. Brown, Department of Commerce; Felix S. Cohen, Department of the Interior; George E. Cooper, Edward M. Shulman, Department of Agriculture; Kenneth Meiklejohn, Department of Labor; Brig. Gen. E. M. Brannon, Col. James F. Hanley, Lt. Col. Ray K. Smathers, Col. W. H. Peters, Jr., Department of the Army; Harold B. Gross, Department of the Navy; Fred Solomon, Board of Governors, Federal Reserve System.

(e) Functional and Commodity Committee

Chairman: Paul H. Nitze, Department of State.

Executive secretary: Glenn H. Craig, Department of State.

Secretary: Ronald M. Ayer, Department of State.

Members: Chairmen of individual commodity committees on attached lists.

1. Food and agriculture

Chairman: Fred Northrup, Department of Agriculture.

Secretary: Murray Thompson, Department of Agriculture.

Members: W. J. Garvin, Department of the Army; Lewis Bassie, Department of Commerce; Albert Viton, International Emergency Food Council; Francis Linville, Department of State; C. K. Lewis, Tariff Commission; Robert Oshins, the White House.

Alternates: J. A. Becker, J. T. Cavin, Joseph L. Orr, F. M. Rhodes, L. B. Taylor, Department of Agriculture; C. E. Lund, Department of Commerce.

Observers and consultants at conversations with representatives of technical committee of CEEC in Washington during October and November 1947: Karl A. Fox, Harriman committee staff; John Kerr Rose, House Select Committee on Foreign Aid staff.

2. Fertilizer

Chairman: William G. Finn, Department of Agriculture.

Secretary: William F. Watkins, Department of Agriculture.

Members: Kenneth D. Jacob, Department of Agriculture; C. K. Horner, Department of Commerce; Henry M. Pauley, Department of State.

Observers and consultants at conversations with representatives of Technical Committee of CEEC in Washington during October and November 1947: Karl A. Fox, Maynard Jenkins, Harriman committee staff; John Kerr Rose, House Select Committee on Foreign Aid staff.

3. Agricultural machinery

Chairman: William L. Beck, Department of Commerce.

Secretary: Martin R. Cooper, Department of Agriculture.

Members: Thomas J. Murphy, Department of Commerce; Karl L. Anderson, Department of State.

Alternates: A. P. Brodell, R. B. Gray, Erling Hole, Leon B. Taylor, Arthur W. Turner, Department of Agriculture; G. J. Rothwell, Department of State.

Observers and consultants at conversations with representatives of Technical Committee of CEEC in Washington during October and November 1947: Karl A. Fox, H. H. Hughes, S. Morris Livingston, Willard Morrison, Harriman committee staff; John Kerr Rose, House Select Committee on Foreign Aid staff; Francis O. Wilcox, Senate Committee on Foreign Relations staff.

4. Coal

Chairman: John Havener, Department of Commerce.

Secretary: Louis Lister, Department of State.

Assistant secretary: Fred Sanderson, Department of State.

Members: C. M. Stull, Department of Commerce; Thomas Hunter, Department of the Interior; R. M. Preisman, Office of Coordinator.

Alternates: Ralph Trisko, Department of Commerce; Daniel Wheeler, Department of the Interior.

Observers and consultants at conversations with representatives of Technical Committee of CEEC in Washington during October and November 1947: C. W. de Forest, Richard H. Mote, Hector Prud'homme, Harriman committee staff; Theodore Geiger, House Select Committee on Foreign Aid staff.

5. Mining machinery

Chairman: William L. Beck, Department of Commerce.

Secretary: Everett Wilcox, Department of Commerce.

Members: William H. Myer, Department of Commerce; John W. Buch, Department of the Interior; Karl L. Anderson, Department of State.

Observers and consultants at conversations with representatives of Technical Committee of CEEC in Washington during October and November 1947: Harold von Thaden, Department of Commerce; Albert M. Keenan, S. Morris Livingston, Arthur Knoizen, Richard H. Mote, H. R. Wheeler, Harriman committee staff; Theodore Geiger, House Select Committee on Foreign Aid staff.

6. Electric power

Chairman: Thomas Hibben, Department of Commerce.

Secretary: Wilfred Malenbaum, Department of State.

Assistant secretary: M. G. Tiger, Department of State.

Members: Lt. Col. A. L. Jorgenson, Department of the Army; E. Robert de Lucci, Federal Power Commission; Arthur Goldschmidt, Department of the Interior.

Alternates: Howard Way, Department of Commerce; Ellsworth Hand, C. E. Bennett, Federal Power Commission.

Observers and consultants at conversations with representatives of Technical Committee of CEEC in Washington during October and November 1947: Walter L. Cissler, C. W. de Forest, George Hamilton, R. M. Landreth, J. A. H. Torry, V. M. White, Harriman committee staff; Edward Falck, House Select Committee on Foreign Aid staff.

7. Petroleum

Chairman: John Loftus, Department of State.

Secretary: David Longanecker, Department of State.

Members: Gustav Vogel, Army-Navy Petroleum Board; Carl Gibboney, Department of Commerce; Max Ball, Department of the Interior; Walter Levy, Department of State.

Alternates: Carroll Fentress, Department of the Interior; E. B. Swanson, Department of the Interior; R. H. S. Eakens, Department of State.

Observers and consultants at conversations with representatives of technical committee of CEEC in Washington during October and November 1947: John Bauer, Harriman committee staff; Gerald Cogan, Harriman committee staff; A. E. Ernst, Harriman committee staff; Robert Koenig, Harriman committee staff; Richard Mote, Harriman committee staff; Arthur Stewart, Harriman committee staff; John Fry, House Select Committee on Foreign Aid staff.

8. Iron and steel

Chairman: J. Joseph Palmer, Department of Commerce.

Secretary: Isalah Frank, Department of State.

Assistant Secretary: Virginia McClung, Department of State.

Members: Robert Simpson, Department of Commerce; Harold Wein, Department of Justice; Paul Hoover, Department of State; Carlyle H. Strand, Tariff Commission.

Alternates: Robert H. Weidenhammer, Department of Commerce; Leon Goldenberg, Department of State.

Observers and consultants at conversations with representatives of technical committee of CEEC in Washington during October and November, 1947: Hiland Bachellor, Harriman committee staff; Richard Bissell, Harriman committee staff; Otis Brubaker, Harriman committee staff; S. Morris Livingston, Harriman committee staff; William S. Morrison, Harriman committee staff; Hector Prud'homme, Harriman committee staff; William Remington, Harriman committee staff; Edwin B. George, Robert Landry, House Select Committee on Foreign Aid staff.

9. Inland transport

Chairman: John H. Tuthill, Department of State.

Secretary: Doris Whitnack, Department of State.

Members: T. E. Anderson, J. C. Winter, Department of Agriculture; Paul Brown, Department of the Army; James Glynn, Department of Commerce; Gerald Gallagher, ODT; H. H. Kelly, Department of State.

Alternates: J. J. Kaplan, Gustav Pollaczek, Robert Swain, Clarence S. Gunther, Department of State.

Observers and consultants at conversations with representatives of technical committee of CEEC in Washington during October and November, 1947: William Flexner, Max Milliken, Harriman committee staff.



10. Maritime transport<sup>2</sup>

Chairman: Walter Radius, Department of State.

Secretary: Lehman P. Nickell, Department of State.

Members: Serge Kushnarev, Department of Commerce; Huntington T. Morse, Maritime Commission; J. E. Saugstad, Department of State.

Alternate: Harvey Klemmer, Department of State.

Observers and consultants at conversations with representatives of technical committee of CEEC in Washington during October and November, 1947; Capt. Granville Conway, James McCullough, Max Milliken, Harriman committee staff.

## 11. Timber

Chairman: Edward I. Kotok, Department of Agriculture.

Secretary: W. H. Sparhawk, Department of Agriculture.

Members: Edward C. Crafts, Department of Agriculture; Joseph L. Muller, Department of Commerce; Jacob Crane, Federal Housing Agency; J. S. Shanklin, Department of the Interior; Frank H. Whitehouse, Department of State; J. M. P. Donahoe, Tariff Commission.

Observers and consultants at conversations with representatives of Technical Committee of CEEC in Washington during October and November 1947; A. C. Cline, Kenneth R. Davis, Harriman committee staff; Theodore Geiger, House Select Committee on Foreign Aid staff; Thomas Gill, Pack Forestry Foundation.

## 12. Manpower

Chairman: Faith Williams, Department of Labor.

Secretary: Jean Flexner, Department of Labor.

Members: Ralph Hetzel, Department of Commerce; Val R. Lorwin, Department of State.

Alternates: David Lasser, Department of Commerce; Herbert A. Fierst, Department of State.

Observers and consultants at conversations with representatives of Technical Committee of CEEC in Washington during October and November 1947; Ford Hinrichs, Harriman committee staff; Gustav Peck, House Select Committee on Foreign Aid staff.

## (f) Country committees

Coordinating group for country studies

Chairman: Henry Labouisse, Department of State.

Executive secretary: Leonard Unger, Department of State.

Members: Fred Straus, Department of Commerce; Val Lorwin, Wayne Jackson, William Koren, Department of State.

<sup>2</sup> The report submitted on Maritime Transport was reviewed by the shipping coordinating committee (SEC). Its formal membership is as follows:

Chairman: Garrison Norton, Department of State.

Vice chairman: W. W. Smith, United States Maritime Commission.

Executive secretary: L. James Falck, United States Maritime Commission.

Assistant executive secretary: John W. Mann, United States Maritime Commission.

Secretary: G. Curtis Murrell, United States Maritime Commission.

Members: Maj. Gen. Edward H. Leavey, Department of the Army; Thomas C. Blaisdell, Department of Commerce; Rear Adm. W. M. Callaghan, Department of the Navy; Edward H. Foley, Treasury Department.

Alternates: Brig. Gen. Paul Yount, Department of the Army; Thomas Hibben, James C. Nelson, Department of Commerce; Huntington T. Morse, Richard Parkhurst, United States Maritime Commission; Capt. W. N. Mansfield, USNR, Department of the Navy; Adm. J. F. Farley, USCG, Capt. H. C. Moore, USCG, Treasury Department.

## 1. Austria

Chairman: Harold Vedeler, Department of State.

Executive secretary: Charles Rogers, Department of State.

Members: Karl Koranyi, Department of Commerce; J. Herbert Furth, Federal Reserve Board; James Wood, Treasury Department.

Staff: Joseph Rosa, Gerti Landauer, Everett Walk, Erwin Strauss, Department of State; Myrtle Brickman, Department of Commerce; Margaret Bell, Treasury Department.

## 2. Belgium-Netherlands-Luxemburg

Chairman: Ray Miller, Department of State.

Executive secretary: Richard Breithut, Department of State.

Members: Taylor Musser, Department of Commerce; Robert Bean, Federal Reserve Board; George Willis, Treasury Department.

Staff: Clinton Knox, Paul Hoover, Marcia Harrison, Elizabeth Otey, Department of State; Walter Buchdahl, Clarence Seigel, Department of Commerce; Frances Miller, Ellen Maloney, Paul Parker, Treasury Department.

## 3. France

Chairman: Woodruff Wallner, Department of State.

Executive secretary: Ivan White, Department of State.

Executive secretary: Maurice Levy-Hawes,<sup>3</sup> Department of State.

Members: Taylor Musser, Department of Commerce; Albert Hirschman, Federal Reserve Board; Frances Miller, Treasury Department.

Staff: Alfred Reifman, Val Lorwin, William Koren, Leon Goldenberg, Department of State; John Keen, Clarence Seigel, Department of Commerce.

## 4. Greece

Chairman: William Rountree, Department of State.

Executive secretary: John Lindeman, Department of State.

Members: Samuel Goldberg, Department of Commerce; J. Herbert Furth, Federal Reserve Board; George Willis, Treasury Department.

Staff: Arthur Beach, Charles Glendinning, John Kennedy, Department of State; Beatrice S. Baum, Treasury Department.

## 5. Italy

Chairman: Walter Dowling, Department of State.

Executive secretary: William Stibravy, Department of State.

Members: Katherine Jacobson, Department of Commerce; Albert Hirschman, Federal Reserve Board; George Willis, Treasury Department.

Staff: Gesualdo Costanzo, Jacob Kaplan, George Tesoro, Clinton Doggett, Department of State; Seymour Pollack, Treasury Department.

## 6. Scandinavia

Chairman: Robert Hooker, Department of State.

Executive secretary: Randolph Higgs, Department of State.

Members: Grant Olson, Department of Commerce; Robert Bean, Federal Reserve Board; George Willis, Treasury Department.

Staff: George Alsberg, Richard Breithut, Eleanor Murphy, Eddie Schodt, Department of State; Ellen Maloney, Treasury Department.

## 7. Switzerland-Portugal

Chairman: Outerbridge Horsey, Department of State.

Executive secretary: William Conklin, Department of State.

Members: Charles Barrett, Department of Commerce; Albert Hirschman, Federal Reserve Board; James Wood, Treasury Department.

<sup>3</sup> Mr. Levy-Hawes succeeded Mr. White on the latter's return to the Paris Embassy.

Staff: Edmund Da Silveira, Raymond Fernandez, Maurice Levy-Hawes, Nicholas Milroy, Department of State; Fred Neter, Seymour Pollack, Treasury Department.

## 10. Western Germany

Chairman: Edwin Martin, Department of State.

Chairman: Daniel Margolies,<sup>4</sup> Department of State.

Executive secretary: Coburn Kidd, Department of State.

Members: Karl Koranyi, Department of Commerce; J. Herbert Furth, Federal Reserve; James Wood, Treasury Department; Col. Charles Blumenfeld, Department of the Army; Don D. Humphrey, OMGUS.

Staff: George Jacobs, Department of State; William Parker, Department of State; Fred Sanderson, Department of State; June Boeckman, Department of State; Herbert H. Marcuse, Department of State; Stanley Sommerfeld, Treasury Department; Maj. William Reed, Department of the Army; Wilfred Garvin, Department of the Army; Saul Nelson, OMGUS.

(2) *Executive Committee on Economic Foreign Policy: subcommittees for ERP*

(a) Working group on the relationship between the ERP and the UN and specialized organizations:

Chairman: Leroy D. Stinebower, Department of State.

Members: Miriam Camp, Otis E. Mullikin, Department of State; Thomas C. Blaisdell, Jr., Department of Commerce; Iver Olsen, Treasury Department; Robert B. Schwenger, Department of Agriculture.

(b) Working group on the relationship between ERP and ITO:

Chairman: Paul H. Nitze, Department of State.

Members: Ben T. Moore, Department of State; George Bronz, Morris Fields, Treasury Department; Oscar Zaglits, Department of Agriculture; Henry Chalmers, Department of Commerce; Lynn R. Edminster, United States Tariff Commission.

(c) Working group on domestic controls needed to implement the ERP:

Chairman: Donald D. Kennedy, Department of State.

Members: Charles P. O'Donnell, Department of State; John S. Richards, Treasury Department; Frank Garfield, Federal Reserve Board; Charles W. Bucy, Department of Agriculture; Paul Homan, Council of Economic Advisers; Walter Seymour, Department of the Interior; Mike Meehan, Department of Commerce.

(d) Working group on strategic materials:

Chairman: William T. Phillips, Department of State.

Members: Karl L. Anderson, Department of State; James Boyd, Department of the Interior; Carl Rolle, Army and Navy Munitions Board; T. D. O'Keefe, Department of Commerce; Morris Fields, Treasury Department; W. G. Finn, Department of Agriculture.

(e) Working group on manpower report: Chairman: Faith Williams, Department of Labor.

Members: Wilbur Cohen, Federal Security Agency; Irwin M. Tobin, George L. Warren, Val Lorwin, Department of State; Collis Stocking, Jean Flexner, Department of Labor; Duncan Wall, Department of Agriculture.

(3) *National Advisory Council: Staff committee*

Chairman: John W. Gunter, Treasury Department.

Working group chairman: Andrew M. Kamarck, Treasury Department.

<sup>4</sup> Mr. Margolies served as chairman while Mr. Martin attended the meetings of the Council of Foreign Ministers in London.



Secretary: Allan J. Fisher, Treasury Department.

Assistant secretary: Harold Rosen, Treasury Department.

Members: Norman Ness, Department of State; Clarence Blau, Department of Commerce; J. Burke Knapp, Board of Governors, Federal Reserve System; Hawthorne Arey, Export-Import Bank; Walter C. Louchheim, Securities and Exchange Commission.

Liaison alternates: Jerome J. Stenger, Hubert F. Havlik, Hale T. Shenofield, Harold R. Spiegel, Department of State; Lewis Dembitz, Board of Governors, Federal Reserve System; Walter C. Sauer, Export-Import Bank.

Interdepartmental working groups of the staff committee composed of the experts on the particular matter or country are set up as occasion warrants. These groups collect the basic information available to the Government and perform the necessary analysis on the particular problem. The membership of these groups at one time or another would include most of the experts in governmental service working on international financial and economic problems. It appears neither appropriate nor feasible, therefore, to list the membership of such groups.

#### EUROPEAN RECOVERY PROGRAM

The Senate resumed the consideration of the bill (S. 2202) to promote the general welfare, national interest, and foreign policy of the United States through necessary economic and financial assistance to foreign countries which undertake to cooperate with each other in the establishment and maintenance of economic conditions essential to a peaceful and prosperous world.

Mr. BALDWIN obtained the floor.

Mr. RUSSELL. Mr. President—

Mr. BALDWIN. I yield to the Senator from Georgia.

Mr. RUSSELL. Will the Senator from Connecticut permit me to suggest the absence of a quorum?

The PRESIDING OFFICER. Does the Senator from Georgia suggest the absence of a quorum?

Mr. RUSSELL. With the indulgence of the Senator from Connecticut, I do. I think a quorum should be present.

The PRESIDING OFFICER. Does the Senator from Connecticut yield for that purpose?

Mr. BALDWIN. Yes.

Mr. RUSSELL. Then, Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Alken	George	Magnuson
Baldwin	Green	Maybank
Ball	Gurney	Millikin
Barkley	Hatch	Moore
Brewster	Hawkes	Murray
Bricker	Hayden	Myers
Bridges	Hickenlooper	O'Connor
Brooks	Hill	O'Daniel
Buck	Hoey	O'Mahoney
Butler	Holland	Overton
Byrd	Ives	Pepper
Cain	Jenner	Reed
Capehart	Johnson, Colo.	Revercomb
Capper	Johnston, S. C.	Robertson, Va.
Chavez	Kem	Robertson, Wyo.
Connally	Kilgore	Russell
Cooper	Knowland	Saltonstall
Cordon	Langer	Smith
Downey	Lodge	Sparkman
Dworshak	Lucas	Stennis
Eastland	McCarran	Stewart
Eaton	McClellan	Taft
Ellender	McFarland	Taylor
Ferguson	McGrath	Thomas, Okla.
Flanders	McKellar	Thomas, Utah

Thye  
Tobey  
Umstead

Vandenberg  
Watkins  
Wherry

Wiley  
Williams  
Wilson

The PRESIDING OFFICER. Eighty-four Senators having answered to their names, a quorum is present.

Mr. BALDWIN. Mr. President, it is a most welcome relief to know that months of objective study have gone into the preparation and planning for the European recovery program. I say it is a welcome relief because too often, in the past, we have been in the position of having to vote hurriedly on last-minute, hastily conceived emergency programs. We have been impressed, too, by the commendable work of the members of the Senate Foreign Relations Committee, and particularly by the devoted work of the senior Senator from Michigan, the chairman of that committee. I believe the members of that committee, who unanimously reported this bill, deserve our commendation and our confidence.

In the last few days we have heard here on the Senate floor, and have read in the RECORD, the many objections to and reservations concerning the European recovery plan. The net effect has been good. These exchanges have called sharply to our attention the dangers inherent in the plan and the need for careful and constant observation.

There has, however, been presented no better plan than the one reported by the committee. The only apparent alternatives are these:

First. To resort to appeasement.

Second. To turn this plan over to the United Nations.

Third. To seek to isolate ourselves and give only emergency relief to needy people.

Fourth. Or to resort to a substitute plan, which, however meritorious and sincere in purpose, is at best only hastily and narrowly considered.

Appeasement was not invented in 1939. It is as old as the history of man. Can anyone recall any occasion in recorded history when the appeasement of an aggressor prevented war in the end? Every time the would-be appeasers have found themselves driven to a final stand on ground far less favorable than when they began. Those apologists who suggest more moderation and understanding in our attitude toward the Soviet Union apparently see no inconsistency in the violence of the statements against us issued by the Soviet leaders. They propose to us the same often tried and always failing theory that weak men have tried again and again, to their sorrow, down through history. If it be true that a more friendly behavior on the part of this Government toward Russia will lead to the cessation of these difficulties, it does indeed seem strange that immediately after the conclusion of the recent war, when our attitude toward the Soviet Union was one of friendliness and trust, the Russian leaders took that opportunity to extend their iron control over many nations from the Baltic to the Balkans. Is there, therefore, any reason to suppose that those same leaders will now interpret a more compliant attitude on our part as anything other than a sign of weakness which would allow the further and more rapid spread of Soviet power?

Many of these same people suggest that our aid in the reconstruction program be handled through the United Nations. Without for a moment attempting to minimize the importance of the United Nations, I can only recall here that such a procedure would necessarily be foredoomed to failure, not only because of the inadequate machinery of the United Nations, but because of the existence of a veto which would unquestionably prevent any immediate or effective action. It is indeed tragic that, with our great hopes for the United Nations, we are required to admit that we must still deal with such a matter as this largely outside the machinery of the United Nations. It is encouraging, however, to note that this plan envisages the use of the United Nations machinery to every extent possible, and it is encouraging that there may well be a probability that, before the conclusion of this program, some large part can with confidence be turned over to the United Nations.

Another alternative suggested, Mr. President, is that we recall our interests to our own borders and extend only emergency relief. This proposal is based on a "live today for tomorrow we die" fatalism. It is useless, now, to dream of isolated nations, the existence of which science has denied.

There is now no sure defense against attack. The whole world is a prospective battlefield and all the people in it are potential participants. Whether we would win or lose another war, we could look forward to the destruction of lives and property in our own cities. To wait behind our own vulnerable walls and to attempt to prepare ourselves for any onslaught would not only require the expenditures of sums that would make this appropriation minute by comparison, but would be to admit that we feel so hopeless about the prospects of peace that we do not now wish to extend any effort to secure it. We would merely be buying a little time at a terrible price.

I do not believe, Mr. President, that appeasement will work today any better than it has in history. I do not believe, Mr. President, that the United Nations is now capable of handling this pressing need. I do not believe that there is salvation in denying the facts of a world we see. I do not believe that our people are ready to accept the inevitability of war before we have made every possible careful effort to prevent it. Mr. President, I do believe we have in this European recovery program, as constructively amended and changed by our committee, a real hope for world peace.

It has never been our American way to wait for success to crown idleness. Spending dollars will not save the world, but saving dollars that must be spent will not save America. America has grown great and strong through her positive and bold investments in production, and development, and security, both at home and abroad. America has not grown strong through investments never made, chances never taken, risks never faced, or responsibilities evaded. It was not timidity or penuriousness that made us what we are now, nor will timidity or penuriousness lead us on to what we can become. Peace requires the same,



or perhaps more careful planning, as does war. Peace is not a gift handed to those who only hope. Peace is the devoutly sought, and elusive reward for work, thought, generosity, determination, and sacrifice. Past history tells us that peace, though man's heartfelt wish, has never been a natural state.

Now that we have finally become capable of destroying ourselves, our will to survive demands that we make peace on earth.

There have been many arguments pro and con concerning the sum involved in this plan. None of us here knows whether the sum proposed is the correct one to the last dollar. By that I mean none of us can be certain that this sum, or any sum, will or can be, effectively used.

Mr. President, I was very much impressed by the statement of the Senator from Michigan [Mr. VANDENBERG] that this sum was at least entitled to a presumption of dependability "until more competent authority, competently proves otherwise." I must say in all frankness, Mr. President, that I have yet to hear a more competent authority competently prove otherwise. Rather than run the risk of reducing this amount only for the sake of reduction, it seems to me we are all obligated to first provide equal study and equal proof in support of another sum. To support, now an unsupported substitute figure would reflect largely a desire to overplay the undeniably pleasant and popular role of watchdog for the public purse, but may, in fact, be a disservice to both the cause of peace and the cause of economy.

We have heard many comparisons between the cost of this program and the cost of various other normal Government activities. I do not know how one can compare the cost of the effort for peace with the cost of any other service. To base one's objection on the ground that local real-estate taxes or poll taxes or any other taxes are less than the probable cost of this program, is like saying my house cost me so much that I cannot afford to consider insurance, or taxes to support a fire department, or anything else that might help to preserve my investment.

But since these questions have been brought up, let us make some comparisons. The European recovery program involves an estimated average expense over the next 4 years of about \$32 per capita per annum. By comparison, the recent war cost Americans nearly \$700 per capita per annum and our first two postwar years of unplanned foreign doles cost about \$91 per capita per annum.

From another point of view, Federal taxes collected on liquor, tobacco, and items covered by the retail excise tax, amounted to over \$30 per annum per capita last year—almost exactly the average annual per capita cost of the European recovery program. During that year, Americans spent on the average about \$60 for liquor and nearly \$20 for tobacco. These two items alone cost the average American more than double what the proposed European recovery plan would cost.

I quote these figures simply as a matter of interest since I believe, Mr. Presi-

dent, that there can be no reasonable comparison between the cost of peace and the cost of any other item. We can only compare the cost of peace with the cost of war because they are the only comparables. The anticipated expense for the next war, if there has to be one, would not be a pleasant bill to contemplate.

In this consideration of the cost of the European recovery plan, I do not mean to intimate for one moment that this plan guarantees a bargain-basement peace. I am still not at the point, Mr. President, where I can regard \$5,300,000,000 lightly as simply 5.3. Nor am I under any illusion that the expenditure of that sum, or any other sum, can buy peace. Far more important is the question how that sum is to be used. If an intelligent expenditure of that amount gives us any better hope for peace than we now have, I say the investment is a good one which will have the support of the American people.

If this European recovery plan fails, Mr. President, we who shall vote for it are responsible, and I personally am prepared to take that responsibility since I have seen nor heard no better alternative. By the same token, those who would weaken or defeat this plan must be prepared to be responsible for the consequences of that inaction. The responsibility in either case is an extremely grave one.

We have now an opportunity, won for us by those who won this war so there could be peace. It is a costly opportunity in terms of money, but one that has in it the hope of saving us from the sure folly of far greater expenditures in lives and money.

I am not under the illusion, Mr. President, that the plan will work out as ideally as it appears on paper, but it holds most encouraging possibilities.

First, it is encouraging to know that the nations of western Europe have finally come to the point of cooperation among themselves for a mutual good. That, in itself, is tremendously significant.

Second, I believe the very fact that we have before us, for the first time, a specific, clear policy, is indeed encouraging. We have finally forsaken the policy of scattering doles across the world.

Third, we have come finally to the conclusion that peace does not come from inaction and that peace must be worked for and must be built. In many ways that is more difficult than winning a war, because there is not the feeling of urgency, the total cooperation, or the willingness to sacrifice. Yet, the goal is no less devoutly sought.

Another encouraging facet of this program is the inherent understanding that there is today being practiced a new and vicious type of aggression. Until the beginning of World War II, we were familiar with only military aggression. We pledged ourselves to stop that type of aggression which is now an old-fashioned way of gaining power. The new and much cheaper way of accomplishing the same purpose is through political aggression.

In the plan now before us, Mr. President, I believe we have finally come to appreciate not only that political aggression is just as final in its outcome as military aggression, but that there are ways and means of coping with it. Parenthetically, I might say that I hope in our deliberations in the United Nations we also assign a new definition to aggression. Unfortunately, some of our people are still of the opinion that military aggression is the only type that needs to be stopped. Military aggression has stopped itself because a cheaper, easier, more modern way has been found and it is that method with which the plan now before us, Mr. President, seeks to deal.

Because we know that political slavery and economic chaos breed war, we are here seeking to use a part of our wealth to recreate freedom and prosperity and so prevent the loss of all our wealth and peace besides. It has long been an American belief that the freedom which democracy guarantees can make the world safe for peace. We cannot afford, in our own selfish interest, to stand idly by while an ideology that threatens the freedom of men engulfs weakened nations by this new form of aggression. We cannot ignore an opportunity to preserve our own security.

This European recovery plan is a practical example in action of the American doctrine of preserving peace through freedom and economic stability. Its purpose is to inspire confidence and respect and to strengthen the bonds of common understanding. We strive to inspire good will in the world by giving off good will ourselves. This is one method of meeting the new subtle type of aggression.

In our deliberations here objections to the proposals contained in the report of the Committee on Foreign Relations are contained in two general questions: First, will this plan work; and second, will it be an undue or unwarranted strain on our own economy?

To the first, none of us can answer "Yes," but as representatives of our people having the obligation of looking after and protecting their interests, we can only say, Mr. President, that this plan appears to have the best possibilities of maintaining the peace, of stopping the advancement of dangerous ideologies by helping to rebuild sound and free governments in western Europe. I have seen or heard of no other plan which is the result of anywhere near the amount of objective thought devoted to this one, nor which has any comparable chance for success. I might say further, Mr. President, that whether or not this plan or any plan succeeds in Europe depends not so much on what we say here, as it does on what we do there.

So far as the second question is concerned, as to whether or not it will be an undue strain on our economy, again we must say we cannot be certain. But if we choose to do nothing, or if the plan does not receive the support it needs to make it work, we can be entirely sure that our economy and our very security will be far more seriously threatened. We have the careful, thoughtful, testimony of competent leaders—both in the



Government and outside—who have taken every precaution to make sure that our own economy is protected, and until we have more expert authority to the contrary, it is that evidence on which I believe we are required to depend.

Mr. President, we represent in this body 140,000,000 American people who are deeply concerned about the course we shall follow in the search for peace. We bear the responsibility of the 140,000,000 Americans who are not here in this Chamber to consider what might be the most important decision in their lives. We have, fortunately, a wider opportunity for knowledge on which to base our judgment because it is our privilege and our duty to have such knowledge. We have likewise an infinitely wider responsibility. We are here, representing the people who will pay the cost of any plan we shall advocate, and we are here representing the hopes and the prayers of our worried people who are seeking a reasonable way to security.

We cannot unhold our responsibilities and our obligation to our people by turning down or weakening any plan which has in it some real hope for peace unless we provide a better way. We are living in a hurrying age. We know that other methods have failed before—we have no time to fail again. It is my sincere hope that we will not only support fully this carefully developed plan, but that we will insist on the close supervision of it to help make its success assured.

I sincerely hope, Mr. President, that those who honestly oppose the plan will vote against it rather than weaken it to the point that its chance of success will be materially lessened or destroyed. I say that because many of us feel that here is a concrete plan that has in it a real hope for peace if put into operation immediately and wholly. There is a point at which crippling amendments or reductions in the amount of aid would so seriously damage the worth of the plan as to make it questionable whether we should proceed at all. I believe, from the exhaustive evidence presented, that that point has been substantially located by the Committee on Foreign Relations and that any other hasty amendments now can only serve the purpose of so weakening the project as to make the wisdom of our expenditures open to doubt.

This proposal, Mr. President, has been considered for many months. In the absence of comparably detailed proof to the contrary, we are now in as good a position as we ever will be to enact the measure.

The congressional committee established in the bill is specifically charged with making a "continuous study" of the plan and should provide an excellent opportunity to develop—by experience—real and sound improvements. It is for that reason, Mr. President, that I urge a vote on the pending bill at the earliest possible moment, and I earnestly suggest to those who oppose it in its present form that they turn their considerable energies and talents toward improving it at the earliest possible time through the committee provided for in the bill.

We are here as representatives of a people worried and concerned about the future of this Nation's relations with the rest of the world. I must confess, Mr. President, that while I am not pleased with the prospect of appropriating the huge amounts we are considering, and while I am convinced that in the treacherous and difficult problem of building the peace, this plan offers no absolute "money back" guarantee, there is not before us any other studied alternative that shows promise of being less costly to our people in money or more promising of success.

I shall vote for the measure, Mr. President, under no illusions. I sincerely believe that through this plan we have the opportunity of building a peaceful world, though the chance of building such an idyllic world is never great. I shall, however, Mr. President, vote for the bill, secure in the knowledge that we have taken a positive step toward peace instead of negatively insisting that there is no way. One who takes the latter position is taking upon himself a greater responsibility and reflecting a costlier pessimism than I am willing to share.

The PRESIDING OFFICER. The bill is before the Senate and open to further amendment.

Mr. BALL. Mr. President, I wish to submit an amendment which will take but a short time to discuss. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Aiken	Hatch	O'Connor
Baldwin	Hawkes	O'Daniel
Ball	Hayden	O'Mahoney
Barkley	Hickenlooper	Overton
Brewster	Hill	Pepper
Bricker	Hoey	Reed
Bridges	Holland	Revercomb
Brooks	Ives	Robertson, Va.
Buck	Jenner	Robertson, Wyo.
Butler	Johnson, Colo.	Russell
Byrd	Johnston, S. C.	Saltonstall
Cain	Kem	Smith
Capehart	Kilgore	Sparkman
Capper	Knowland	Stennis
Chavez	Langer	Stewart
Connally	Lodge	Taft
Cooper	Lucas	Taylor
Cordon	McCarran	Thomas, Okla.
Downey	McClellan	Thomas, Utah
Dworschak	McFarland	Thye
Eastland	McGrath	Tobey
Eaton	McKellar	Umstead
Ellender	Magnuson	Vandenberg
Ferguson	Maybank	Watkins
Flanders	Millikin	Wherry
George	Moore	Wiley
Green	Murray	Williams
Gurney	Myers	Wilson

The PRESIDING OFFICER (Mr. WILLIAMS in the chair). Eighty-four Senators having answered to their names, a quorum is present.

The Senator from Minnesota has the floor.

Mr. BALL. Mr. President, I call up the amendment offered by the Senator from Nebraska [Mr. WHERRY] and myself, lettered "D," and ask that it be read.

The PRESIDING OFFICER. The amendment will be read.

The CHIEF CLERK. On page 21, after line 18, it is proposed to insert a new subsection, as follows:

(d) (1) Of the funds authorized under this act no greater amount shall be expended

for the furnishing or making available to participating countries of food, medical supplies, processed and unprocessed materials for clothing, fuel, pesticides, and other relief supplies or assistance than the amount specified in the aggregate for such purpose in the acts making such appropriations.

(2) None of the funds authorized or made available under this act (other than amounts specified pursuant to paragraph (1)) shall be available for extending assistance to any participating country except in accordance with specific projects submitted to and approved by the Administrator pursuant to section 15 (b) (1). Notwithstanding the provisions of paragraph (1), any of the funds authorized or made available by this act may be used for the furnishing or making available to a participating country of food, medical supplies, processed and unprocessed materials for clothing, fuel, or pesticides if (A) such articles are allocated to a specific project submitted to and approved by the Administrator under section 15 (b) (1), and (B) the Administrator determines that such allocation is necessary to the successful carrying out of such project.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Minnesota for himself and the Senator from Nebraska [Mr. WHERRY].

Mr. BALL. Mr. President, I realize the many other obligations which Members of the Senate have, but I agree with the Senator from Michigan [Mr. VANDENBERG] and the Senator from Connecticut [Mr. BALDWIN], who just spoke, that the issue now before the Senate is probably by all odds the most important and most far-reaching one which will be considered at the present session of Congress. Perhaps a majority of the Members of the Senate have already made up their minds on all the issues which will be presented in the various amendments, and I realize they have committee meetings and other obligations. But I think it is unfortunate that when we are considering an issue of this importance it is virtually impossible to keep more than a dozen or 20 Senators on the floor of the Senate to hear the discussion in regard to what the bill means and what the specific amendments which are proposed mean. It is difficult for me to understand how Senators can vote intelligently on these issues without hearing at least some of the discussion.

It is my purpose to discuss this amendment very briefly, and then to have the Senate proceed to vote as soon as possible.

Mr. President, the amendment which is pending has two purposes. The first is to separate relief funds and economic-recovery funds, and to specifically authorize the Congress and the Appropriations Committees and the bills making the appropriations authorized by this proposed act to make a separate appropriation for relief purposes—in other words, for the food, fuel, pesticides, fertilizer, and urgent medical supplies necessary to sustain the economies of the recipient countries at a minimum level—and then to make a separate appropriation earmarked for economic-recovery purposes.

The second purpose would be to channel the funds which are earmarked for economic-recovery purposes into specific projects or programs approved by the



Administrator and submitted by the recipient countries and designed to increase the vital production of the recipient countries.

Mr. President, it seems to me that if this aid program is to turn out in its operation to be any different from the aid programs in which we have participated in the past 2½ years to the total of \$16,000,000,000 or \$17,000,000,000, the surest way to assure that result is deliberately to separate the relief funds from the economic-recovery funds appropriated under this program. I think most of us here feel that the relief and rehabilitation programs of aid through grants, loans, and so forth, in the past have not achieved their objective of stimulating recovery, but in most instances have turned out to be merely a goal, with the recipient country very little better off after receiving the aid than it was before receiving it.

One sure way to make certain that at least some of the funds appropriated pursuant to the authorization here proposed will actually go into products that are designed to increase production and really bring about economic recovery in the recipient country is to see to it that the funds are allocated pursuant to specific projects for that purpose, as submitted to and approved by the United States Administrator as likely to achieve those objectives. In that way we shall make certain that at least some portion of this aid program will actually flow into recovery projects.

Mr. President, in using the words "specific projects," which appear elsewhere in the bill as it now stands, the sponsors of the pending amendment do not mean to apply a very restrictive meaning to the word "project"; in other words, to tie it down to a specific proposal relating to a single company or plant or producer. What we are thinking of are projects aimed at bringing up the level of production, industry by industry.

All the reports from Europe indicate that there are four vital bottlenecks which are slowing them down and which set the pace for recovery. Those four bottlenecks are in coal, steel, transportation facilities, and food production. It is our hope—and I think the idea is spelled out elsewhere in the proposed act—that the Administrator will seek specific projects aimed at breaking the bottlenecks by increasing production; for instance, in the Ruhr Valley and in the bizone or trizone of Germany, where a large proportion of the coal of western Europe is produced, and where at present there is not sufficient coal produced to operate even a minimum economy, let alone to stimulate recovery. We are shipping millions of tons of coal from the United States, necessitating a long ocean haul.

A project to stimulate increased production of coal in the Ruhr Valley might involve first increasing the food rations of the men employed to mine the coal. The food ration in Germany at present is the same for all people. It is, I think, around 1,700 or 1,800 calories a day. I do not think anyone believes that a man can mine coal and do heavy work of that kind on 1,800 calories a day. The first

objective, possibly on an incentive basis, would be to increase food rations as the coal production increases. It might be necessary to provide other goods, such as clothing, blankets, furniture, and things of that kind, to offer incentives to miners to increase their own efforts. Finally, there might be a need of additional mine machinery, perhaps supplies of timber, and steel products; but the whole thing would be an integrated-project program to increase coal production in the Ruhr by a certain percentage within a specified time. The Administrator would approve the project; funds with which to buy the commodities allocated to it would come out of funds appropriated by the Congress under subsection 2 of the amendment, and as I understand he would have authority under bilateral agreements to follow through and see that the commodities and services we furnished actually went into the approved projects.

Subsection 1 relates to relief supplies. Subsection 2, on page 2 of the amendment, provides that where a specific project calls for so-called relief type goods, additional supplies of food or clothing or even tobacco for incentive purposes to bring about increased production, may be included under the recovery project.

I think, Mr. President, that is the entire picture of the amendment and its purposes. As I understand the pending plan, something along this line is what is contemplated. I submit that it is not clear in the bill, and that under the bill as it now stands we could go right on in effect underwriting a trade deficit, with no assurance whatever that any of the supplies we furnished would actually find their way into projects which would build economic recovery in Europe by increasing their own production. The whole aid measure, as I understand it, would provide only 5 percent of the total consumption of the recipient countries. They must provide the other 95 percent, and they must also build up their production in order to close the 5 percent gap, if the program is to stand a chance of success and be anything more than another dole.

Mr. VANDENBERG. Mr. President, I comment very briefly on the statement made by my able friend from Minnesota. I comment first on the latter part of his statement. As I understand the second section of the amendment, the chief difference between his approach and the approach of the bill as reported is that in the amendment submitted by the Senator, on behalf of himself and the Senator from Nebraska, it is required that all recovery aid be channeled into what he calls specific projects. That is the only point at which the authors and sponsors of the bill completely disagree with the amendment and find it unacceptable. So far as the general objective is concerned I think it is already spelled out in the bill itself, according to the precise aspiration that my able friend from Minnesota has indicated. Every time I refer to the amendment it is to be understood that I am referring to the amendment proposed by the Senator from Minnesota [Mr. BALL] for himself and for the Senator from Nebraska [Mr. WHERRY].

The general functions of the Administrator described in line 8 include language in the nature of a directive to formulate the programs of the United States assistance under the act, including approval of specific objects which have been submitted to him by the participating countries. Turning then to page 28, commencing in line 19, among the requirements of bilateral and multilateral undertakings, there is found the following language:

And submitting for the approval of the Administrator \* \* \* specific projects proposed by such country to be undertaken in substantial part with assistance furnished under this act, which projects, whenever practicable, shall include projects for increased production of coal, steel, transportation facilities, and food.

I may say parenthetically at that point that my friends from Minnesota and Nebraska will remember that in the first conference we had in my office regarding the bill as it came down from the State Department, requests were submitted to me by the group in respect to this general subject. I am sure the Senator from Minnesota will gladly concede that the bill as rewritten is a substantial improvement in the direction which he indicates over the original bill, because it recognizes specific projects as essential. It underscores specific projects as being peculiarly and particularly desirable.

Then, to meet the viewpoint of the Senator from Illinois, projects for increased production of coal, steel, transportation facilities, and food were specifically identified. The Senator will recall the source of that suggestion. So I think that my able friends who are sponsoring the amendment should not feel that their interests and their efforts in this behalf have been in vain, because I respectfully submit that the bill already goes just as far as it is practicable to go in the direction that the amendment proposes.

The only point at which we unavoidably disagree is that the amendment will require that all recovery shall be channeled through specific projects. I respectfully submit that is completely impossible. For instance, suppose the economy of X country shows a deficit of 5,000 tons of brass. That deficit may cover 150 individual plants, or it may be a partial brass deficit in each plant. The brass which is necessary to balance the economy and permit the operation adequately to proceed loses its identity and is mingled with the brass which has been purchased by the available local resources of the individual plants to which a portion of the 5,000 tons is assigned. Using brass simply as an example, I do not see how we can identify each one of the 150 plants which are involved in the brass deficit. On the contrary, it is obviously a physical impossibility to do so. It seems to me we have collided with the fundamental purpose of the bill itself if we confine our recuperative aid simply to great, single, individual projects and not pour it into the mass economy of the Nation. From my point of view, it is impossible to pour it into the mass economy of the Nation by requiring that it be used exclusively in specific projects. Yet I want to repeat that the desirability of



specific projects is clearly underscored in the other sections of the bill which I have read.

So far as the first section of the amendment is concerned, in which an effort is made sharply and conclusively to divide relief and recuperation, I think, under the concept of the bill, that is a physical impossibility also. The Senator himself has referred to the fact that in the Ruhr, for instance, incentive food rations may be of the greatest possible utility by way of encouraging production. The Senator has written an exception in the second section to cover that particular circumstance. It is my observation, in dealing with a problem of this nature, that there are so many unanticipated contingencies that it is a dangerous thing to attempt to rely upon our genius in anticipating the particular exceptions which need to be identified under such circumstances. I respectfully submit to my friend from Minnesota that there are probably many cases as to which, if he knew about them—and they will inevitably develop—he would readily admit that if he had foreseen them he would have wanted to include them among the exceptions when he was attempting to discriminate between relief and recuperation.

For instance, cotton to cover the backs of the people would be for relief; cotton to permit continuation of industrial activity and to create exports would be for recuperation. As I see it, it is not in the cards to attempt to draw a hard and fast line between relief and recovery in the text of the bill.

Under the circumstances which I have indicated, I am sorry that I have to urge the Senate not to agree to the amendment.

Mr. BALL. Mr. President, will the Senator yield further?

Mr. VANDENBERG. Yes, indeed.

Mr. BALL. I discussed this question with the drafting counsel of the Senate, who was of the opinion that, even without these separations, if Congress actually wanted to do so and the Appropriations Committee saw fit, separate appropriations could be made for the relief type of case and the recovery type of case. Would the Senator agree with that statement?

Mr. VANDENBERG. That is a legal question upon which I would not want to pass. I recognize very wide and ominous jurisdiction in the Appropriations Committee, however.

Mr. BALL. Mr. President, I merely want to say, briefly, that, much as I dislike to disagree with the distinguished Senator from Michigan, it seems to me that his own argument has made it very clear that unless Congress does become specific in the bill the whole plan and program of action under it will turn out to be largely or almost exclusively an underwriting by the United States of anticipated trade deficits of recipient countries.

Mr. VANDENBERG. I neglected to say one thing to the Senator by way of further demonstration of my anxiety to go just as far as possible in underscoring the objectives to which the Senator addresses himself. The Senator has another amendment, which is lettered C,

which proposes, on page 17, after line 2, to insert an additional category, reading as follows:

(6) the allocation of commodities or services to specific projects designed to carry out the purposes of this act, which have been submitted to the Administrator by participating countries and have been approved by him.

The Senator from Nebraska [Mr. WHERRY] also joins in that amendment. Mr. WHERRY. That is correct.

Mr. VANDENBERG. While the changes on page 2 of the amendment would not be acceptable, if the Senator wishes to insert the language I have just read as a further effort to identify the desirability of project planning, so far as the Senator from Michigan is concerned he would be very glad to accept that portion of the amendment.

Mr. BALL. I thank the Senator from Michigan. I am very happy to find some change which the Senator does not veto. I think it would help to emphasize my own feeling and that of the Senator from Nebraska [Mr. WHERRY] that the more assistance that can be channeled into specific projects the better chance we have of achieving the objective of economic recovery.

Mr. VANDENBERG. How would it be if we settle on the basis I have indicated?

Mr. BALL. I rather think, Mr. President—

Mr. WHERRY. If the Senator would take amendment D it would be better than to settle on the other.

Mr. BALL. Unfortunately the other amendment is not pending at the present time. I shall offer it when we dispose of the first amendment.

Mr. VANDENBERG. I withdraw my proposal for the moment.

Mr. BALL. Very well.

Mr. President, I desire to emphasize that, in view of our past experience with foreign-aid programs, it seems to me that unless Congress spells out very specifically what it intends, unless we get away from the concept of simply giving a blanket underwriting to the trade deficits of the recipient countries, our chances of achieving the objective of economic recovery are not too bright.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Minnesota [Mr. BALL] for himself and the Senator from Nebraska [Mr. WHERRY].

The amendment was rejected.

The PRESIDING OFFICER. The bill is open to further amendment.

Mr. BALL. Mr. President, on behalf of myself and the Senator from Nebraska [Mr. WHERRY], I offer our amendment lettered "C," modified by striking out all the matter appearing on page 2 of the amendment.

The PRESIDING OFFICER. The clerk will state the amendment.

The CHIEF CLERK. On page 15, line 14, it is proposed to strike out "(5)" and insert "(6)", and on page 17, after line 2, insert the following:

(6) the allocation of commodities or services to specific projects designed to carry out the purposes of this act, which have been submitted to the Administrator by participating countries and have been approved by him.

Mr. VANDENBERG. Mr. President, I have no objection to the amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. WHERRY. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Aiken	Hatch	O'Connor
Baldwin	Hawkes	O'Daniel
Ball	Hayden	O'Mahoney
Barkley	Hickenlooper	Overton
Brewster	Hill	Pepper
Bricker	Hoey	Reed
Bridges	Holland	Revercomb
Brooks	Ives	Robertson, Va.
Buck	Jenner	Robertson, Wyo.
Butler	Johnson, Colo.	Russell
Byrd	Johnston, S. C.	Saltinestall
Cain	Kem	Smith
Capehart	Kilgore	Sparkman
Capper	Knowland	Stennis
Chavez	Langer	Stewart
Connally	Lodge	Taft
Cooper	Lucas	Taylor
Cordon	McCarran	Thomas, Okla.
Downey	McClellan	Thomas, Utah
Dworshak	McFarland	Thye
Eastland	McGrath	Tobey
Eaton	McKellar	Umstead
Ellender	Magnuson	Vandenberg
Ferguson	Maybank	Watkins
Flanders	Millikin	Wherry
George	Moore	Wiley
Green	Murray	Williams
Gurney	Myers	Wilson

The PRESIDING OFFICER. Eighty-four Senators having answered to their names, a quorum is present.

INVESTIGATION OF SOCIAL-SECURITY PROGRAM—INCREASE IN LIMIT OF EXPENDITURES

Mr. BROOKS. Mr. President, before I offer an amendment to the pending bill and ask for its consideration I desire to report favorably two resolutions, and ask for their present consideration. In order that I may do so, I ask unanimous consent that the unfinished business be temporarily laid aside. The resolutions are routine, were unanimously approved by the Rules Committee, and I believe there will be no controversy about them.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Illinois? The Chair hears none, and it is so ordered.

Mr. BROOKS. Mr. President, from the Committee on Rules and Administration, I ask unanimous consent to report favorably, without amendment, Senate Resolution 202, and I request its immediate consideration.

There being no objection, the resolution (S. Res. 202), submitted by Mr. MILLIKIN on February 20, 1948, and referred to the Committee on Finance, was considered and agreed to, as follows:

*Resolved*, That the limit of expenditures authorized under Senate Resolution 141, Eightieth Congress, agreed to July 23, 1947 (authorizing an investigation by the Committee on Finance of old-age and survivors' insurance and other aspects of the social-security program), is hereby increased by \$25,000.

ADDITIONAL EXPENDITURES BY COMMITTEE ON APPROPRIATIONS

Mr. BROOKS. Mr. President, from the Committee on Rules and Administration, I ask unanimous consent to report favorably, without amendment,



Senate Resolution 201, and I request its immediate consideration.

There being no objection, the resolution (S. Res. 201), submitted by Mr. BRIDGES on February 17, 1948, was considered and agreed to, as follows:

*Resolved*, That the Committee on Appropriations hereby is authorized to expend from the contingent fund of the Senate, during the Eightieth Congress, \$10,000 in addition to the amounts, and for the same purposes, specified in section 134 (a) of the Legislative Reorganization Act approved August 2, 1946, and S. Res. 130, agreed to June 26, 1947.

**EXTENSION OF AUTHORITY OF SPECIAL COMMITTEE TO STUDY PROBLEMS OF AMERICAN SMALL BUSINESS ENTERPRISES**

Mr. BROOKS. Mr. President, from the Committee on Rules and Administration, I ask unanimous consent to report favorably, without amendment, Senate Resolution 191, and I submit a report (No. 982) thereon. I request that the resolution be placed on the calendar. The resolution was unanimously ordered reported by the committee.

The PRESIDING OFFICER. Without objection, the report will be received, and the resolution will be placed on the calendar.

Mr. WHERRY. Mr. President, is it the Senator's intention to ask immediate consideration of the resolution?

Mr. BROOKS. I shall be glad to ask immediate consideration for it.

Mr. President, I ask immediate consideration of the resolution.

The PRESIDING OFFICER. The resolution will be read for the information of the Senate.

The resolution (S. Res. 191) was read, as follows:

*Resolved*, That the authority conferred by Senate Resolution 20, Eightieth Congress, agreed to January 24, 1947 (creating a Special Committee To Study the Problems of American Small Business Enterprises) and continued by Senate Resolution 153, Eightieth Congress, agreed to July 26, 1947, is hereby continued until the expiration of the Eightieth Congress.

Such committee is hereby authorized to expend from the contingent fund of the Senate \$50,000, in addition to the amounts heretofore authorized for the same purposes.

The PRESIDING OFFICER (Mr. LODGE in the chair). Is there objection to the present consideration of the resolution?

Mr. McCARRAN. I suggest the absence of a quorum.

The PRESIDING OFFICER. The Clerk will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. WHERRY. Mr. President, may the calling of the roll be suspended for a moment, so that I may propound a question?

Is it anticipated that there will be objection to consideration of the resolution? I do not wish to force immediate consideration of the resolution if there is to be any objection.

Mr. McCARRAN. I think there should be objection until a greater number of Senators can be present and we can know what it is all about. I propose to object to that extent.

Mr. WHERRY. I shall be glad to ask that the resolution go to the calendar if it is anticipated that there will be any objection.

Mr. McCARRAN. It should go to the calendar.

The PRESIDING OFFICER. Does the Senator from Nevada ask that further proceedings under the quorum call be dispensed with?

Mr. McCARRAN. I shall be glad to do so if the resolution goes to the calendar.

Mr. WHERRY. Mr. President, I ask that the resolution go to the calendar and come up in its regular turn.

Mr. McCARRAN. Then I ask unanimous consent that further proceedings under the quorum call be dispensed with.

The PRESIDING OFFICER. The resolution will go to the calendar.

Without objection, further proceedings under the quorum call are dispensed with.

**EUROPEAN RECOVERY PROGRAM**

The Senate resumed the consideration of the bill (S. 2202) to promote the general welfare, national interest, and foreign policy of the United States through necessary economic and financial assistance to foreign countries which undertake to cooperate with each other in the establishment and maintenance of economic conditions essential to a peaceful and prosperous world.

Mr. BROOKS. Mr. President, on behalf of the Senator from Nebraska [Mr. WHERRY], the Senator from Kansas [Mr. REED], the Senator from Maine [Mr. BREWSTER], the Senator from Minnesota [Mr. BALL], the Senator from Washington [Mr. CAIN], the Senator from Wyoming [Mr. ROBERTSON], the Senator from Idaho [Mr. DWORSHAK], the Senator from New Jersey [Mr. HAWKES], the Senator from Nebraska [Mr. BUTLER], the Senator from Nevada [Mr. MALONE], the Senator from Montana [Mr. ECTON], the Senator from Utah [Mr. WATKINS], and myself, I offer the amendment which I send to the desk and ask to have stated.

The PRESIDING OFFICER. The amendment offered by the Senator from Illinois on behalf of himself and other Senators will be stated.

The CHIEF CLERK. On page 11, beginning with line 8, it is proposed to strike out down through and including line 5 on page 12, and insert in lieu thereof the following:

**UNITED STATES SPECIAL REPRESENTATIVE ABROAD**

SEC. 8. There shall be a United States Special Representative in Europe who shall (a) be appointed by the President, by and with the advice and consent of the Senate, (b) be entitled to receive the same compensation and allowances as a chief of mission, class 1, within the meaning of the act of August 13, 1946 (60 Stat. 999), and (c) have the title of Agent General for Economic Cooperation. He shall be the chief representative of the Administrator to any organization of participating countries which may be established by the participating countries to further a joint program for European recovery, coordinate the activities of the Special Economic Cooperation Administration missions provided for in section 9 of this act, and shall discharge in Europe such additional responsibilities as may be assigned to him by the Administrator with the approval of the President in furtherance of the purposes of this act. He may also be designated as the United

States representative on the Economic Commission for Europe. As Agent General of the Administrator, he shall keep the chiefs of the United States diplomatic missions currently informed concerning his activities.

Mr. BROOKS. Mr. President, the purpose of this amendment is to give force and effect to the desire of a great many people to have the provision for recovery in Europe placed in the hands of the Administrator and his representative.

There is great confusion about the Marshall plan. It is mixed up with strategic effort. It is mixed up with charity contributions. It is mixed up with economic loans; and now we are going to confuse it that much more by placing in Europe a special, over-all individual who will carry the rank of Ambassador Extraordinary and Plenipotentiary. The emphasis is to be on that individual.

A great many of us have a desire to help in the recovery of Europe; but, in my judgment, the recovery can be brought about only by the intelligent administration of this latest program by persons who have individual initiative, and are skilled in matters pertaining to production in agriculture, in labor, and in industry. If we create the office of Administrator, and create economic missions abroad, all under the diplomatic missions abroad, and then place over the entire program a new character with the supertitle and responsibility and authority of special ambassador, in my judgment we shall nullify all the effect of creating a business administration.

Much has been said in the press and on the floor of the Senate to the effect that now we are to have a business administrator, and that he must be a man of the highest type, with the highest qualifications and understandings. There has been written into the bill the purpose to create that kind of official; but with one section we superimpose a special ambassador over him. The situation is further confused, and no one will know what part of the program is to be devoted to the strategic effort, the political activity, the charity, or the business recovery which the recipient nations need.

There are some who feel that it is necessary to have stable governments in order to have a stable economy. In my judgment, that process must be reversed. We must have a stable economy, or a stable government cannot exist. A stable government cannot rest on an unsound foundation.

In the past too much emphasis has been placed on special representatives who have not been attuned to the necessity for business management in Europe. We have given lip service to the development of production of food, steel, coal, and transportation; but over the entire program we place a political figure. We have given emphasis to the trade-union movement and the council of governments, with a political head. My judgment is that unless we have the business brains of the Nation behind the coordination of agriculture and labor, this effort will be merely another political move, and we shall not get the result through diplomacy that we can get through hardpan of production. The



minds of the men who produce in this country must be brought to bear on the problem, because we must drain the resources of the Nation. If we are to operate this kind of a program, it must be maintained by business ingenuity.

My thought is that we might at least once try to have a business management in the recovery program; and for that reason I offer the amendment.

Mr. VANDENBERG. Mr. President, there is very little difference between the Senator from Illinois and the Senator from Michigan in respect to most of the things which he has said, and most of the things to which he addresses his amendment. However, I am sorry to say that the difference, though relatively small, is pretty important. Let me make a brief statement to the Senate.

Perhaps I should preface my statement by once more underscoring the fact that I agree with everything the Senator from Illinois has said about the necessity for preserving maximum economic autonomy for the economic administrator under this act. I think I can prove by the text of the bill that the Senator from Michigan is rendering something more than lip service to that ideal—to use the words of the Senator from Illinois—because every possible effort has been made to emphasize the necessity for the economic autonomy of the Administrator.

The difficulty with which the Senator from Illinois and I collide at this moment is the fact that, in spite of all the emphasis upon the indispensable economic independence of the Administrator, despite that economic necessity, there is another contact inevitably involved in this enterprise if we are to hope to succeed with it, namely, the creation of a new governmental coordination in Europe, which is not a matter of economics at the top, even though it is at the bottom. Therefore the top representative abroad must not only be economically sufficient unto the occasion, but he must also be in a position to deal at the top level with the heads of government in the 16 CEEC nations if we are successfully to pursue our desire to create constantly expanding contacts between them, and to create, so far as possible, what Mr. Bevin has called a Western Union or something comparable.

In evolving those contacts, Mr. President, it is absolutely necessary that this top representative abroad should have maximum diplomatic status for the exercise of that particular function. He must be an ambassador in rank, on a par with every other diplomatic representative with whom he must deal. He cannot enter the top-level government of France, for instance, to discuss a customs union successfully, if all that he is called is simply agent general of the Administrator."

Mr. BALL. Mr. President, will the Senator yield?

Mr. VANDENBERG. I yield.

Mr. BALL. Is the Senator telling us that the top-level government officials in the countries which are to receive hundreds of millions of dollars of assistance under this act would refuse to talk to the American representative who had some-

thing to say about how that money should be spent and how the aid should be given, simply because of a question of title?

Mr. VANDENBERG. Certainly not, and I am sure the Senator from Minnesota knows that I mean nothing of the sort. But there is such a thing as protocol in the world. Much as we may dislike it, there is such a thing. I think it requires no evidence to demonstrate that when a diplomatic representative of the United States is engaged upon an important mission, he must have a protocol status comparable with the importance of his mission. Certainly he would have no protocol status whatever if he were simply to be called the agent general of the Administrator.

However, all that is superficial. There are two or three things in this amendment which are perfectly sound. The objective to which the Senator from Illinois addresses himself, aside from the first question to which I have adverted, I am quite willing to consent to. But, so far as the right of the President of the United States to speak to the heads of governments in the CEEC countries is concerned, so far as concerns the possibility of having the President speak adequately to the heads of other governments, in diplomatic contact, he is entitled to have what protocol always has required, still requires, and undoubtedly always will require, unless the whole world is sovietized, namely, an ambassador representing the President of the United States in that particular aspect.

The point I am trying to make is that that aspect of the job to be done by this representative is minor, in respect to the larger aspect which the Senator from Illinois emphasizes; and I am about to demonstrate that I think it is entirely possible still to permit this representative to meet, in terms of protocol, on a level with other high representatives of government in respect to these contacts involving governmental coordination. I think it is entirely possible to do that without changing the title; and I am sure the title will have no effect upon the net result, if I continue with my discussion to indicate the points on which I agree with the Senator from Illinois.

Mr. BROOKS. Mr. President—

Mr. VANDENBERG. I yield to the Senator from Illinois.

Mr. BROOKS. I wish to ask whether the Senator feels that the President at this particular time has adequate agents, on the basis of protocol, to speak with other governments anywhere in the world, perhaps with the exception of Russia, on matters of cooperation.

Mr. VANDENBERG. I think when the bill puts all emphasis upon the coordination of the 16 governments—in customs unions and in evolutions of kindred sorts in other directions—if we mean what we say in respect to the importance of coordination between the 16 nations, we should do them the very elementary honor of creating an ambassador to them as a unit.

Mr. BROOKS. Mr. President—

Mr. VANDENBERG. I yield further to the Senator from Illinois.

Mr. BROOKS. I should like to point out that, although it is only in one section that this special ambassador is emphasized, according to what the Senator from Michigan has just now stated, that person is the over-all and all-important creation of this entire bill, for he will then represent and supersede the Administrator, the diplomatic ambassadors, the economic missions, and the Administrator here at home. He will be the highest protocol; and if my judgment is correct, he will have the most influence in this entire matter. Certainly, that puts it in the realm of protocol and out of the realm of business administration, in my judgment.

Mr. VANDENBERG. Mr. President, I happen to disagree totally with my able friend the Senator from Illinois. It certainly puts the ambassador, as the representative of the President of the United States, in diplomatic contacts, and in diplomatic contacts only, in a position of priority. Because of that fact and because he should not have a similar priority in respect to the operations of the all-important economic side of this enterprise, I am about to indicate to the Senator from Illinois, in clear proof, that I am quite willing, so far as I am concerned, to meet his objective.

His pending amendment has three objectives. The first is to change the title. I think we already have put entirely too much emphasis on the question of title. I wish to make it plain that although we feel that the title is essential, I would say that is one of the secondary purposes of the Senator's amendment.

The two principal purposes of the Senator's amendment—and I hope he will correct me if I am wrong—are, first, to make sure that this United States Special Representative is the Administrator's man. That is No. 1. No. 2 is to make sure that among his other tasks is that of coordinating the economic missions.

Am I correct?

Mr. BROOKS. Yes; that would be the purpose.

Mr. VANDENBERG. Let me show the Senator how, with my complete consent, he can do both of those things without any further controversy or debate. So far as the Senator from Michigan is concerned, on page 11, section 8, line 16, delete the words "the chief United States representative", and after the word "be" insert the following: "the representative of the Administrator, and shall also be the chief representative of the United States Government", so that the sentence will read:

There shall be a United States Special Representative in Europe who shall (a) be appointed by the President, by and with the advice and consent of the Senate—

And so forth.

He shall be the representative of the Administrator, and shall also be the chief representative of the United States Government.

Mr. President, I shall go a little further. On page 11, section 8, line 23, after the sentence indicating that he shall be the United States representative on the Economic Commission for Europe, the



Senator from Michigan is prepared to accept the following sentence:

He shall receive his instructions from the Administrator, and such instructions shall be prepared and transmitted to him in accordance with procedures agreed to between the Administrator and the Secretary of State in order to assure appropriate coordination as provided by subsection (b) of section 5 of this act.

Then, meeting the second objective:

He shall coordinate the activities of the chiefs of the special mission provided for in section 9 of this act.

The last sentence directly and unequivocally responds to the second objective of the Senator's amendment.

Mr. WATKINS. Mr. President, will the Senator yield?

Mr. VANDENBERG. Just a second, please, and then I shall be glad to yield. The first sentence equally clearly meets the situation, with the exception, if it is an exception, that it textually recognizes the possibility of a conflict between the Secretary of State and the Administrator, and again refers such a conflict to the President of the United States to be umpired. So far as the Senator from Michigan is concerned, I respectfully submit that I have demonstrated my agreement with the objectives of the proposal of the Senator in every aspect except the change in title.

Mr. WATKINS and Mr. CAIN addressed the Chair.

Mr. VANDENBERG. I yield first to the Senator from Utah.

Mr. WATKINS. What will be his relationship to the Secretary of State under the amendment suggested by the Senator from Michigan?

Mr. VANDENBERG. He is the representative of the Administrator under procedures—perhaps I had better read it literally—

agreed to between the Administrator and the Secretary of State, in order to assure appropriate coordination as provided.

In diplomatic matters he is the representative of the President, acting through the Secretary of State, I suppose, as his representative. In all matters in the first instance, however, he is under the orders of the Administrator, and if there is any clash between the two, the President decides.

Mr. WATKINS. May he receive any of his orders from the Secretary of State?

Mr. VANDENBERG. Only in agreement, as indicated, with the Administrator.

Mr. WATKINS. I wanted to be sure that we got the interpretation on that point by the chairman of the Senate Committee on Foreign Relations. In his principal capacity, then, he will be acting for the Administrator and not for the Secretary of State, will he not?

Mr. VANDENBERG. The Senator is correct.

Mr. WATKINS. On all matters of policy with relation to the program, he will be acting for the Administrator, not for the Secretary of State, will he not?

Mr. VANDENBERG. No, indeed. The Senator is now taking in all questions of policy involved. That is not true.

Mr. WATKINS. I wanted to get the extent to which he might go.

Mr. VANDENBERG. There are inevitable diplomatic relationships between the 16 countries to be encouraged and stimulated through the usual methods of contact between governments. That is not primarily the Administrator's business; that is primarily the business of the President, acting through his Department of State. But at all times the Administrator has the priority under the agreement which I have indicated.

Mr. WATKINS. He will outrank, then, the representatives we now have to the various 16 nations, will he not?

Mr. VANDENBERG. I do not know what his relative rank would be, so far as they are concerned.

Mr. WATKINS. Would there be any prospect or probability of conflict between him and them, in representing the State Department in the several nations?

Mr. VANDENBERG. I think not. I know of no reason why there should be, because his mission is very specific. It relates to the multilateral relationships, speaking now diplomatically, between the nations.

Mr. WATKINS. I thank the Senator.

Mr. CAIN. Mr. President, will the Senator yield?

Mr. VANDENBERG. I yield to the Senator from Washington.

Mr. CAIN. As one of the cosponsors of the amendment, I think the Senator's first sentence in the proposal of the Senator from Michigan meets in major proportion the fear that some of us have had. It seems to tie up the administration of the program, both foreign and domestic, to one man. But if that is a correct contention, I wonder what the thinking of the Senator from Illinois is on the question of whether or not the second sentence proposed by the Senator from Michigan is in fact necessary. If the administrator abroad, whatever his title may be, receives his economic instructions from the Administrator in this country, why should it be necessary to say that, abroad, he shall coordinate the 16 economic missions? I am not clear in my own mind, and I should like to have a further exploration of that subject.

Mr. VANDENBERG. I agree with the Senator from Illinois; I think he should coordinate them.

Mr. CAIN. I agree that he should coordinate them, but the representative abroad is going to receive his instructions from the Administrator at home, and why therefore is it said in the second sentence what he shall do, when the Administrator in this country is going to tell him what to do?

Mr. BROOKS. The purpose of my amendment, I may say to the Senator from Washington, is to have a business representative on the other side, representing a business administrator on this side. With that in mind, I provided in my amendment that as a business administrator he should coordinate the economic missions in the various countries.

I thank the distinguished chairman of the Foreign Relations Committee for accepting certain of the principles of this amendment, but I still say that the super ambassador is going to be more involved with the political aspects than he is with

the cold business aspects, and that is the one thing we have lacked. We are not too brilliant politically anywhere in the world, as our present situation shows. If we are brilliant in anything it is in adhering to the private enterprise system, it is in adhering to a form of government that guarantees individual initiative. I should like to have brains of that type at the top of an organization that spends my money in Europe. I recognize what the distinguished chairman of the Foreign Relations Committee says, that it might be well to create a super ambassador to deal on the highest levels, but we are talking about recovery now, we are talking about a business administration; and I should like to have a real business administrator on the other side.

This is going to be a major operation, if it succeeds. It calls for the highest type of business administration, and if, with the money in his pocket, this super ambassador were sitting in a meeting, the gentlemen of protocol would search him out, and if they thought they were not going to get enough, they would use a lot of diplomatic language explaining why they were wasting our money. I should like to have this official devote his major attention to being the representative of a real administrator on this side in the effort to coordinate economic business organizations in those countries, and not have him serve as a super diplomat, because the two things simply do not go together. Eventually, the emphasis will be on the diplomatic side. I have no quarrel with the State Department's diplomacy, except to say that it has made a mess of things almost everywhere in the world at the present time, and I should like now to make sure that the people in the recipient nations will produce the things which are needed. I think a hard-headed businessman who is not tied to super protocol could talk a little plainer and say, "My responsibility is not diplomatic; my responsibility is to see that you put your people to work, that I do not spend America's money on subsidizing socialistic schemes, and that production is obtained. I have got to report back to America on what I am here for, not for diplomacy but to have a proper administration of funds." That is what I am striking at, and that is what I honestly and sincerely hope will come out of this program.

I say again, I think the chairman of the Foreign Relations Committee has very generously recognized that there is not sufficient emphasis on the Administrator. When we put one man in a dual capacity and give him the title for reasons of protocol, the emphasis is going to that end. We want to stress a point of view which has not been stressed heretofore in the expenditure of America's moneys across the face of the earth. I may say to my distinguished colleague from Washington that I would rather have an understudy undertake to bring about coordination rather than to have the coordinator do it if his emphasis is going to be on the political angle rather than on the business angle.

Mr. CAIN. Yet, the amendment recommended by the Senator from Michi-



gan recognizes, does it not, in major part, our objections to the bill as it now stands? If, however, it should result in a man's carrying a dual responsibility, it says, with reference to his economic responsibility, that it shall be tied up to our major concern, which is the Administrator in this country.

Mr. BROOKS. It does recognize it, and I thank the distinguished Senator from Michigan for recognizing it. But I say it does not go far enough. I have no objection to the President's sending anyone with any title which may be created, but I want to have some hold onto the money and not have it tied up on a diplomatic basis. They will not get down to hardpan in production and recognize the cold facts of efficiency if we are to have a supervisor wrapped up in the diplomatic relationship.

Mr. AIKEN. Mr. President, may I ask a question?

Mr. BROOKS. Certainly.

Mr. AIKEN. Does the Senator have any doubt that the whole matter is not to be in complete control of the State Department? Has he received an impression to that effect from reading the bill?

Mr. BROOKS. From the information which went out that we are to put emphasis on business administration—

Mr. AIKEN. It is provided that whenever the Secretary of State believes that any action on the part of the Administrator is inconsistent with the foreign policy, he shall consult with the Administrator, and if differences of view are not adjusted by consultation, the matter shall be referred to the President for final decision. Does the Senator know of a single case in which the State Department has had a dispute with any other agency of Government and has gone to the President, that the State Department has not been sustained? Does he know of a single instance?

Mr. BROOKS. I suspect that is true. I know of no such instance. But what I want to point out is that, if there be a difference of opinion, I should like to have somebody of top-level category over there representing the viewpoint of one side, and not have it all tied up in one superambassador.

Mr. AIKEN. Has the Senator any assurance that whoever may be appointed Administrator will not be very close to the State Department?

Mr. BROOKS. I have no assurance of it at all. We have not had much of the legislation we have enacted carried out in the spirit in which it was enacted. I have no idea that this will be much different, but I should like to emphasize the point and give them a chance to have a little different approach to the problem.

Mr. TAFT. Mr. President, will the Senator yield?

Mr. BROOKS. I yield.

Mr. TAFT. I think there is a substantial difference on the question of the role of the State Department. I would agree with the Senator from Vermont as to that. I think the great thing which has been done has been to take away from the State Department the administration of the relief program. I think the committee has done an extraordinary job. Regardless of the fact that the President may decide between

the State Department and the Administrator in favor of the State Department, or he may not so decide, at any rate the man who argues with him is on an equal basis with the Secretary of State. So I think it is a very substantial change and one which I think makes the bill infinitely more acceptable.

Coming to the amendment offered by the Senator from Illinois, I agree that if there is to be separation, let us separate them entirely. Why have one man in the middle of the proceeding owing allegiance both to the Secretary of State and to the Director? If the theory of separating it from the State Department is sound, then I think the Administrator should be separated from the State Department. I believe the Senator is absolutely on sound ground in that respect. I cannot see why the man should have to conduct diplomatic missions.

Mr. AIKEN. Is not the Senator aware of the fact that every day and for many days in the past the State Department has been receiving applications for employment on this mission? If the Senator has constituents who want to get jobs in the administration of the relief program, he has to send applications to the State Department for that purpose.

Mr. BROOKS. Is the State Department giving jobs?

Mr. VANDENBERG. An applicant does not receive any job when he goes there.

Mr. BROOKS. He does not get a job with the State Department?

Mr. VANDENBERG. He gets no job.

Mr. TAFT. I personally would have complete confidence that the Administrator would control the question of personnel. I think the bill makes it sufficiently clear that Congress wants to impose control through a joint committee. I think we can be sure that the man who may be appointed will in good faith establish an efficient administration. I do not have the fear which the Senator from Vermont has expressed. If we are to make the administration separate from the State Department, or adopt that course in principle, I cannot see the purpose of having the chief representative in Europe also taking orders as to some matters from the Secretary of State. It seems to me the Secretary of State can always send his own ambassador to handle diplomatic matters. I cannot understand why we should create the uncertainty which is now in the bill. I think the Senator's amendment is in accord with the whole theory of the Senate Foreign Relations Committee, and I hope that the Senate will accept the principle which the Senator has proposed.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Illinois [Mr. BROOKS].

Mr. CAIN. Mr. President, will the Senator yield?

Mr. BROOKS. I yield to the Senator from Washington.

Mr. CAIN. I wonder, if there is to be an issue on this particular amendment, as to whether the title is sufficient for the doing of the job intended by the man who holds the office overseas. Some of us have not been overly impressed with the

title provided for the representative of America abroad. I am only raising the question in order to have it explored by the Senator from Illinois.

Mr. BROOKS. I undertook to make a change in the title purposely, having in mind the speed with which history is being written at the moment. If we correctly read the pleas which come from the other countries, it would seem that they will seek out any man, no matter what his title may be, if he holds the purse strings, the allocation, the direction, and the responsibility of providing them with aid. I was trying to keep away from diplomatic language in the title so far as I could. I repeat that I believe if we want our supplies and our money in Europe effectively used it is time to treat the subject on a different basis, so as to assure a continuity of business management. The other nations can make any appeals they want to through the traditional ambassadorial staff or to the Secretary of State. If there are any real differences between the Secretary of State and the Administrator, of course they must be settled by the President. We are not trying to change that situation. But I should like to have a realization on the part of Americans and Europeans as well that this is a new approach. We want work done; we want efficiency. We do not want our money to go to the subsidization of any socialistic scheme, but to the real recovery of Europe.

Mr. CAIN. Mr. President, will the Senator yield?

Mr. BROOKS. I yield.

Mr. CAIN. I should very much like to ask a question of the distinguished Senator from Michigan if I may.

Mr. VANDENBERG. Certainly.

Mr. CAIN. If this amendment should prevail will it be, in the Senator's opinion, necessary for the President to create an office which bears the title described in section 8, on page 11?

Mr. VANDENBERG. That is merely a matter of personal judgment. In the view of the Senator from Michigan if we have the slightest reality of hope in CEEC, the 16 nations, which, at long last, are showing some signs of coordination, if we have the slightest desire to encourage them in the expansion of their coordination, if we want to deal with them effectively in encouraging their coordination, it will be necessary to create top level diplomatic representation, because their objective is entitled to it, or we should not be wasting 15 seconds on the proposed legislation.

Mr. ROBERTSON of Wyoming. Mr. President, I am interested in the last remark of the Senator from Washington in regard to the rank which this United States special representative abroad would hold under section 8 of the bill, which provides that he shall "have the rank of ambassador extraordinary and plenipotentiary." I wonder if the Senator from Michigan would agree to change that to "have the rank of agent general for economic cooperation."

Mr. VANDENBERG. It must be that the Senator has been absent from the Chamber.

Mr. ROBERTSON of Wyoming. I have been, I regret to say.



Mr. VANDENBERG. For about an hour I have been trying to indicate that under no circumstances could I possibly agree to such a suggestion.

Mr. ROBERTSON of Wyoming. Mr. President, I feel that the very name "ambassador extraordinary and plenipotentiary" places the man directly in the State Department, and under the authority of the Secretary of State.

Mr. VANDENBERG. May I interrupt the Senator again?

Mr. ROBERTSON of Wyoming. Certainly.

Mr. VANDENBERG. Since the Senator was not present, he is not familiar, I assume, with the fact that I have offered two changes.

Mr. ROBERTSON of Wyoming. I have seen them.

Mr. VANDENBERG. Very well.

Mr. ROBERTSON of Wyoming. I have them here.

Mr. VANDENBERG. I thought that might alter the statement the Senator is making.

Mr. ROBERTSON of Wyoming. It does. I did not know this amendment was being considered, and the hour I spent in my office was in preparing a speech on this very subject, which I have not got. I shall have to proceed without the speech.

Mr. VANDENBERG. Every cloud has a silver lining. [Laughter.]

Mr. ROBERTSON of Wyoming. Let me come back to the point of the ambassador extraordinary and plenipotentiary. Regardless of what we may do under the bill in this country, I feel that if we send a man abroad with the title "ambassador extraordinary and plenipotentiary," he will be known and will be recognized as an ambassador subject to the instructions and under the direction of our Secretary of State.

I had hoped that could be avoided. I have worked over the pending bill, and over the proposed relief to Europe, many days and many nights. I was one of three Republicans who voted against the emergency aid to Europe in the special session. I voted against the British loan. I voted against the Greek-Turkish loan. My principal reason for voting against those measures was that I felt that there was nothing in any of those bills which would assure that the money we were appropriating would be used for the purposes for which we appropriated it.

I feel that any time we place in the hands of the State Department any sums of money, or the authority to use any appropriations we make, the State Department will, in sending those funds abroad, or placing them in the hands of foreign countries in this country, naturally place them in the hands of the representatives of the secretaries of state of those countries. The secretaries of state of the various countries are the same as the Secretary of State of this country. They are political appointees of the administration in charge, and as such have the power, and probably in many cases the will, to use the funds for what their party or their administration may deem to be in the best interest of their respective countries.

Mr. VANDENBERG. Mr. President, will the Senator yield?

Mr. ROBERTSON of Wyoming. I yield.

Mr. VANDENBERG. I am sure the Senator wants to be accurate in his statement.

Mr. ROBERTSON of Wyoming. I do, of course.

Mr. VANDENBERG. I do not know how it would be possible, under the terms of the bill, for any money to pass for either relief or recovery except on a contract approved by the Administrator. I think that is specific and categorical.

Mr. ROBERTSON of Wyoming. I thank the Senator for his statement. At the same time, I point out to the Senator that in my opinion our representative in Europe who is to be responsible for seeing that the moneys appropriated are used for the purposes for which we appropriate them should be able to contact the direct organizations which will utilize the money, rather than have to go through the State Department as an ambassador extraordinary.

Mr. WATKINS. Mr. President, will the Senator yield?

Mr. ROBERTSON of Wyoming. I yield.

Mr. WATKINS. Does the Senator think the person who will hold this position could not really serve two masters?

Mr. ROBERTSON of Wyoming. I have never known any one who could do that.

Mr. WATKINS. In the amendment suggested, would he not be attempting to serve both the Secretary of State, on diplomatic missions, and at the same time be the representative of the Administrator, with his principal duties in the field of business, and of carrying out the purposes of the act?

Mr. ROBERTSON of Wyoming. Did I understand the Senator to say according to the amendment?

Mr. WATKINS. The amendment suggested by the senior Senator from Michigan.

Mr. ROBERTSON of Wyoming. Definitely. I thought the Senator was referring to the amendment under consideration.

Mr. WATKINS. Under the amendment under consideration as the Senator from Illinois has proposed it, there would be a clear-cut distinction. The man would be acting only under the direction of the Administrator.

Mr. ROBERTSON of Wyoming. Yes.

Mr. WATKINS. He would not be acting in a dual capacity.

Mr. ROBERTSON of Wyoming. No.

Mr. WATKINS. The other amendment, the one suggested by the senior Senator from Michigan, would put him in a dual capacity. He would be a diplomat, and also the agent general of the Administrator.

Mr. ROBERTSON of Wyoming. That is correct.

Mr. WATKINS. That is what seems to me to be objectionable. He would be attempting to serve two masters. The line between the two would not be clearly defined, and in my judgment he would be spending a great deal of time running

back to the President of the United States to make a decision on what he was to do.

Mr. ROBERTSON of Wyoming. I thank the Senator. I further call his attention to the fact that in my opinion his dual capacity is not brought out until section 8 is reached, where he is called an Ambassador Extraordinary and Plenipotentiary.

Reading now for the RECORD, in section 4, page 5, line 12, it is provided:

The Administrator—

That is, the Administrator in the United States—

The Administrator shall be responsible to the President and shall have a status in the executive branch of the Government comparable to that of the head of an executive department.

He is then on the top level. I take that language to mean that the Administrator is on the same level with the Secretary of State, the Secretary of the Treasury, the Secretary of Defense, and the other secretaries in the Cabinet. Then it proceeds, in line 15:

Except as otherwise provided in this act, the administration of the provisions of this act is hereby vested in the Administrator and his functions shall be performed under the control of the President.

Let us see what his functions are. I read from page 8:

#### GENERAL FUNCTIONS OF ADMINISTRATOR

SEC. 5. (a) The Administrator, under the control of the President, shall in addition to all other functions vested in him by this act—

(1) review and appraise the requirements of participating countries for assistance under the terms of this act;

(2) formulate programs of United States assistance under this act, including approval of specific projects which have been submitted to him by the participating countries;

(3) provide for the efficient execution of any such programs as may be placed in operation; and—

I interject at that point that I take it the programs which would be placed in operation would be in one or the other of the 16 participating nations—

(4) terminate provision of assistance or take other remedial action as provided in section 17 of this act.

Those are the functions of the Administrator. Then the bill proceeds in line 16:

(b) In order to strengthen and make more effective the conduct of the foreign relations of the United States—

(1) the Administrator and the Secretary of State shall keep each other fully and currently informed on matters, including prospective action, arising within the scope of their respective duties which are pertinent to the duties of the other.

These two top-level men, one the Administrator and one the Secretary of State, according to the general functions of the Administrator, as set forth on page 8, "shall keep each other fully and currently informed on matters," and, of course, it is absolutely right that they should do so.

(2) whenever the Secretary of State believes that any action, proposed action, or failure to act on the part of the Administra-



tor is inconsistent with the foreign-policy objectives of the United States, he shall consult with the Administrator—

That would be on the top level of a Cabinet secretary—

and, if differences of view are not adjusted by consultation, the matter shall be referred to the President for final decision.

Mr. President, I can see nothing in the bill, under the functions of the Administrator, or anywhere else, which justifies the Administrator's representative in the foreign countries of Europe being called ambassador extraordinary and plenipotentiary. I feel, Mr. President, that it is the one error of this clause, as proposed to be amended by the Senator from Michigan. I hope that he can see his way clear to satisfy some of us by merely altering that title. I can see no reason for the title. In fact, I can see every reason why the title should be changed to "Agent General for Economic Cooperation."

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Illinois [Mr. Brooks].

Mr. BROOKS. Mr. President, I simply wish to close with a summary. I am sure the impression has been given, and I am sure the intention of the chairman of the Foreign Relations Committee was to see to it, that business genius and direction shall be employed to bring about the all-important objective to which the measure is dedicated. I am thoroughly convinced that to a great degree any effort on the part of the Administrator will be minimized if there be associated with him in his activity in Europe, even though it may be said that the associate gets his directions from the Administrator, one whose very title, one whose very status, is historically a part of the State Department. If we are going to do something new to try to improve the mistakes of yesterday, we ought to approach the situation very realistically. I have no thought in my mind that the President of this great country does not have the right, as Chief Executive, to have a representative of the highest order representing him in a foreign country. But we should strive to improve on our mistakes of yesterday, and, as all of us know, mistakes have been made. I think another mistake is about to be made by housing this great enterprise, which will run into billions and billions of dollars, under the canopy of the State Department.

In order to have any chance of intelligent operation abroad, the program should be under a business management, and our representative should have a business title. The program should be conducted in accordance with a plan which historically goes to the creative, inventive, and industrial genius of this land, not to diplomacy. We should try to attract to the high post of Administrator, not a diplomatic servant, but a man of the highest business or industrial efficiency and his coordinator, his representative, should be of the same type. The position should be set apart to attract that kind of a man. It should be dignified by giving recognition to the line of endeavor in which we excel. I

say again we have not shown ourselves thus far to be intelligent in diplomacy. We are brilliant and we are great in our productive capacity. That element of our genius ought to have full sway as we move into this program.

Mr. President, on my amendment I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. SMITH. Mr. President, am I to understand that if the amendment offered by the Senator from Illinois, which is now pending, is defeated, the Senator from Michigan will offer the amendments providing the change he suggested?

The PRESIDING OFFICER. The parliamentary situation is that the Senator from Michigan can offer the amendments if he desires.

Mr. WHERRY. Mr. President, were the yeas and nays ordered on the amendment of the Senator from Illinois?

The PRESIDING OFFICER. The yeas and nays were ordered.

Mr. VANDENBERG. Mr. President, the Senator from Michigan is willing to respond to the Senator from New Jersey, that the amendments he speaks of will be offered even though they hardly seem to be deserved under the circumstances.

Mr. HICKENLOOPER. Mr. President, I wonder if the Senator from Michigan would give me some information on a matter respecting which he perhaps may be informed, that is, concerning the position of an ambassador. It runs in my mind that the exclusive right to make the appointment of ambassador lies with the President. Therefore, the ambassador very likely is the servant of the President, if we come down to technical details; not the servant of the State Department.

Mr. VANDENBERG. I think the Senator from Iowa is entirely correct.

Mr. HICKENLOOPER. I do not know whether the Senator from Michigan has discussed that matter before.

Mr. VANDENBERG. I have said so.

Mr. HICKENLOOPER. I am sorry I missed the Senator's statement. I thought, however, the differentiation should be made.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Illinois for himself and other Senators, on page 11, beginning with line 8. The yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. GREEN. I announce that my colleague, the Senator from Rhode Island [Mr. McGRATH] is absent, presiding over a meeting of the Democratic National Committee. If present he would vote "nay."

Mr. WHERRY. I announce that the Senator from New Hampshire [Mr. BRIDGES] is detained on official committee business.

The Senator from South Dakota [Mr. BUSHFIELD], the Senator from Pennsylvania [Mr. MARTIN], the Senator from Nevada [Mr. MALONE], the Senator from Wisconsin [Mr. MCCARTHY], the Senator from Oklahoma [Mr. MOORE], and the Senator from Oregon [Mr. MORSE] are

necessarily absent. If present and voting, the Senator from South Dakota [Mr. BUSHFIELD], the Senator from Pennsylvania [Mr. MARTIN], and the Senator from Oregon [Mr. MORSE] would vote "nay." If present and voting, the Senator from Nevada [Mr. MALONE] would vote "yea."

The Senator from Missouri [Mr. DONNELL] is absent by leave of the Senate.

The Senator from Maine [Mr. WHITE] is absent because of illness.

The Senator from North Dakota [Mr. YOUNG] is absent by leave of the Senate.

Mr. LUCAS. I announce that the Senator from Arkansas [Mr. FULBRIGHT] and the Senator from Maryland [Mr. TYDINGS] are absent because of illness.

The Senator from New Mexico [Mr. HATCH], the Senator from Washington [Mr. MAGNUSON], the Senator from Texas [Mr. O'DANIEL], and the Senator from New York [Mr. WAGNER] are necessarily absent.

The Senator from Connecticut [Mr. McMAHON] is absent on public business.

The Senator from Virginia [Mr. ROBERTSON] is absent on official business.

If present and voting, the Senator from Arkansas [Mr. FULBRIGHT], the Senator from New Mexico [Mr. HATCH], the Senator from Washington [Mr. MAGNUSON], the Senator from Connecticut [Mr. McMAHON], the Senator from Virginia [Mr. ROBERTSON], the Senator from Maryland [Mr. TYDINGS], and the Senator from New York [Mr. WAGNER] would vote "nay."

The result was announced—yeas 25, nays 52, as follows:

#### YEAS—25

Alken	Chavez	Revercomb
Ball	Dworshak	Robertson, Wyo.
Brewster	Eaton	Russell
Bricker	Ferguson	Taft
Brooks	Hawkes	Watkins
Butler	Jenner	Wherry
Byrd	Kem	Williams
Cain	Langer	
Capehart	McClellan	

#### NAYS—52

Baldwin	Holland	Pepper
Barkley	Ives	Reed
Buck	Johnson, Colo.	Saltonstall
Capper	Johnston, S. C.	Smith
Connally	Kilgore	Sparkman
Cooper	Knowland	Stennis
Cordon	Lodge	Stewart
Downey	Lucas	Taylor
Eastland	McCarran	Thomas, Okla.
Ellender	McFarland	Thomas, Utah
Flanders	McKellar	Thye
George	Maybank	Tobey
Green	Millikin	Umstead
Gurney	Murray	Vandenberg
Hayden	Myers	Wiley
Hickenlooper	O'Connor	Wilson
Hill	O'Mahoney	
Hoey	Overton	

#### NOT VOTING—19

Bridges	McMahon	Robertson, Va.
Bushfield	Magnuson	Tydings
Donnell	Malone	Wagner
Fulbright	Martin	White
Hatch	Moore	Young
McCarthy	Morse	
McGrath	O'Daniel	

So the amendment of Mr. Brooks and other Senators was rejected.

Mr. VANDENBERG. Mr. President, pursuant to the statement I made during the debate regarding those portions of the rejected amendment as to which the proponents of the bill are in agreement, I am quite willing now to offer the two amendments which I indicated at that



time. I assume that they will not be controversial.

I therefore move that on page 11, in section 8, line 16, the words "chief United States representatives" be deleted, and that there be inserted the words "representative of the Administrator, and shall also be the chief representative of the United States Government." The net result will be to identify the Ambassador as the representative of the Administrator.

I offer that amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Michigan.

The amendment was agreed to.

Mr. VANDENBERG. Mr. President, as a second amendment—and one of the same character, and again carrying out my promise to the Senate—I move the insertion of the following, on page 11, in section 8, line 23, after the word "Europe":

He shall receive his instructions from the Administrator and such instructions shall be prepared and transmitted to him in accordance with procedures agreed to between the Administrator and the Secretary of State in order to assure appropriate coordination as provided by subsection (b) of section 5 of this act. He shall coordinate the activities of the Chiefs of Special Missions provided for in section 9 of this act.

The net effect of the amendment is, in case of collision between the Administrator and the Ambassador, to apply the rule which is followed elsewhere in the bill, namely, that in the case of such a collision, the President of the United States shall be the umpire.

Mr. CONNALLY. Mr. President, the proposed change does not exclude the President's instructions, does it?

Mr. VANDENBERG. Oh, no, indeed. I have made it clear from start to finish that the President is entitled to his own ambassadorial representative and must have him under the circumstances.

Mr. CONNALLY. And his instructions would override the instructions of the Administrator.

Mr. VANDENBERG. Or the instructions of anyone else.

Mr. CONNALLY. That is preserved in this amendment, is it?

Mr. VANDENBERG. That is correct.

Mr. WILSON. Mr. President, should not the Congress be advised in this matter?

Mr. VANDENBERG. There are several points in the bill where it is provided that the Congress is to be advised. In addition, we are creating what has come to be called the "watch-dog" committee, which is a joint committee of the House and Senate which will be entitled to all information of every character at all times.

Mr. WILSON. Mr. President, will the Senator further yield?

Mr. VANDENBERG. Certainly. However, if there is any controversy about this matter, I shall withdraw the amendment, because I wish to have the Senate proceed with the bill.

I yield to the Senator from Iowa.

Mr. WILSON. It occurs to me that the Congress of the United States, as well as the President and others, is entitled to information.

Mr. VANDENBERG. I quite agree with the Senator, and I think the bill provides for it from start to finish.

Mr. WILSON. If I were sure of that, my attitude would be different. But when we insert provisions such as the one the Senator from Michigan has just suggested, we have left out any reference to the legislative branch of the Government.

Mr. VANDENBERG. I call the Senator's attention to the fact that we are considering but one of the many agents of the institution. Certainly the Senator from Iowa does not wish to have all the agents report directly to the Congress.

Mr. WILSON. I quite agree with the Senator from Michigan; but the most important of the three branches of our Government is the legislative branch.

Mr. VANDENBERG. I agree to that.

Mr. WILSON. And the legislative branch should receive reports.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Michigan [Mr. VANDENBERG].

The amendment was agreed to.

The PRESIDING OFFICER. The bill is open to further amendment.

Mr. BROOKS. Mr. President, before I offer the next amendment, I should like to express my appreciation to the chairman of the Foreign Relations Committee for presenting these amendments. I think they may improve the bill.

Now I should like to call up the amendment designated with the numbers and letter "3-5-48-B." I offer it, and ask that it be stated. The amendment is offered for myself and various other Senators.

The PRESIDING OFFICER. The amendment will be stated.

The amendment proposed by Mr. BROOKS (for himself, Mr. WHERRY, Mr. REED, Mr. BREWSTER, Mr. CAIN, Mr. ROBERTSON of Wyoming, Mr. DWORSHAK, Mr. HAWKES, Mr. BUTLER, Mr. MALONE, Mr. ECTON, and Mr. WATKINS) was read, as follows:

On page 27, between lines 15 and 16, insert a new subsection as follows:

"(g) Not to exceed 3 percent of the total funds appropriated for the purposes of this act may be employed by the Administrator under such regulations as he shall impose to pay the ocean freight charges from a United States port to a designated port of entry of any of the participating countries, on relief packages conforming to specified size, weight, and contents, originating in the United States and consigned to some individual residing in one of the participating countries.

"All costs of any such relief package, including shipping costs, shall be paid by shipper from point of origin to United States port designated by Administrator.

"The Administrator shall consult with the Secretary of State with a view of having included in bilateral agreements, as authorized under section 15 (a) of this act, right of free entry of such relief packages as are certified as such under authority of the Administrator, into the territory of any participating country. Such bilateral agreements shall also provide for the payment out of sums of local currencies as are placed in a special deposit as provided in section 15 (b) (6) of this act, transportation cost at regular and usual rates, from port of entry of the particular participating country in which the said local currency deposit exists, to designated shipping point of consignee."

Mr. BROOKS. Mr. President, this amendment simply provides that not to exceed 3 percent of the funds—whatever funds shall be appropriated for this program—shall be set aside by the Administrator to help take care of the overseas-transportation cost of individual packages sent by individual citizens or organizations in the United States to individual citizens or organizations in Europe.

Since the close of the war, I have been informed, approximately 90,000,000 packages have been sent by individuals in the United States to individuals in Europe. The testimony given to us by General Clay was that nothing that has been provided has been so effective in creating good will for the United States, and in letting the people of Europe know that the aid comes from the United States and in encouraging them to believe in our system of government and to develop resistance to the miseries of communism, as the individual packages sent from this country to individuals in western Germany.

As a matter of fact, when General Clay wished to increase the coal production in the Ruhr, he went to the organization that is known as CARE, and had it provide for him 350,000 individual packages, which he purchased with public funds, to be used—and they were so used—as incentives to get the individual miners to produce additional amounts of coal. Knowing that they could take home those individual packages to their families, they did produce the additional coal required, and the goal which had been set was reached. General Clay said the only reason why they did not use more was that the CARE organization could not provide more.

I refer to that simply to show that, in his judgment, the individual package is the most effective way of reaching individuals and in letting them know that the aid comes from the United States, and in building good will for the United States.

So, by this amendment I am asking that only 3 percent of the funds be set aside so that the individual in the United States who wishes to contribute more than we are making him contribute when we pass this bill—and no doubt it will be passed—will have that much of the transportation charges paid by all the people of the United States, who will be taxed to pay the cost of this entire bill.

Therefore, I believe that 3 percent of the total funds should be set aside to carry a part of the cost of the transportation of individual packages in this way. That will mean that the individual in the United States will buy his own package under the rules and regulations specified by the Administrator, and will pay the postage to the coast, to a given point—just as we use given points for the transportation of packages to the Army during the war, and just as many institutions use given points in connection with making shipments—and then the Administrator will be responsible for transporting the package from our shore to the shore of the designated foreign country. Then, let their postal system pick it up and pay for it out of what in actuality are American funds, for in



those countries, when we give them supplies, including food, fuel, and fertilizer, they sell them. We give the supplies to their governments and they sell them to their people, taking the local currency. The bill provides for that money to be put into a blocked account, to be used ultimately for whatever purpose the two governments agree.

The amendment merely provides that the mailing cost beyond the port of entry in the foreign country shall be paid out of American money that has been transformed into European currency and held for joint purposes to be agreed upon. I understand the statement is made that there will be certain administrative difficulties. That contention is always advanced, but I wish somebody would explain to me what administrative difficulties there would be in operating a program such as I propose. There is no great difficulty in handling the packages. It is a thing that the postal service does every day. It means a few clerks to receive them, direct them, and adjust the accounts on the other side. It is American money, and under the amendment there would be deducted a part, not to exceed 3 percent, of what we take from all the people, and that amount would be used to transport good-will packages sent by individuals in America to individuals in Europe, where the recipients cannot mistake that it is charity, that it is good will, and that we do want them to survive. In my judgment this is one of the most effective ways of doing what we at least hope the program will accomplish. I hope the amendment will be accepted.

Mr. LANGER. Mr. President, will the Senator yield?

Mr. BROOKS. I yield to the Senator from North Dakota.

Mr. LANGER. Does the Senator know that this proposal has the enthusiastic support of former Secretary of War Patterson, and that he wrote a letter to the Post Office and Civil Service Committee advocating, not the withholding of 3 percent, but a lower rate of postage? In the month of October last year, 41,000,000 pounds of such mail was shipped to Germany alone, through the individual-package method.

Mr. KILGORE. Mr. President, will the Senator yield?

Mr. BROOKS. I yield to the Senator from West Virginia.

Mr. KILGORE. I wish to ask a question about the operation of the program. I note in the amendment that the appropriation is for the purpose of paying ocean-freight charges; the sender pays the postage to the nearest port in our country, and we pay the ocean-freight charges. What arrangement is to be made for delivery of the package in the foreign country?

Mr. BROOKS. The packages would be shipped from the port in our country to the foreign port of entry, where the Administrator would see that they were forwarded through the postal system of the particular country, without disrupting the postal system. The postage would be paid out of the blocked account that comes from goods given them

by America, sold to their people, and paid for in the local currency.

Mr. KILGORE. I thank the Senator for his explanation. That is what I wanted to have made clear. I wanted to know how the packages would be cared for abroad.

Mr. OVERTON. Mr. President, will the Senator yield?

Mr. BROOKS. I yield to the Senator from Louisiana.

Mr. OVERTON. What, if any, obligations are imposed on the foreign governments to pay for postage on such packages?

Mr. BROOKS. I have provided in the amendment that the Administrator shall enter into agreements with the several countries to take care of that.

Mr. CORDON. Mr. President, will the Senator yield?

Mr. BROOKS. I yield to the Senator from Oregon.

Mr. CORDON. Is it the Senator's purpose to limit the operation of the amendment to individual packages sent to individual persons, and to exclude packages which might be sent by a group, without the packages designating the individual shippers?

Mr. BROOKS. My immediate purpose was to see that individual packages went to individuals. It can be amended to permit organizations to send packages to be distributed. Another thing was omitted, to which the chairman of the Committee on Foreign Relations called my attention. It was that the amendment should contain a penalty provision to safeguard against smuggling. I thought the Senator was at least going to have that language considered by the committee. However, I submit the amendment now for discussion. I think there should be included language providing a penalty for violations in the way of placing in the packages anything not designated by the Administrator. If such an amendment is not suggested by someone else, I shall offer it myself.

Mr. VANDENBERG. Mr. President, this is another of those occasions when I am prepared to agree to language which I think fully accepts the objective to which the able Senator from Illinois addresses his amendment, even though we seem to find it impossible to do it in the precise form and to the extent that he indicates. I shall try very briefly to make the distinctions apparent.

Mr. BROOKS. Mr. President, may I ask the Senator to yield?

Mr. VANDENBERG. I yield.

Mr. BROOKS. In all fairness, I wish to say that I have not seen the language of the amendment up to this moment, and, therefore, I am not sure we can agree. If I were privileged to see the language the Senator is about to suggest, I might agree to it.

Mr. VANDENBERG. I did not mean to indicate that the Senator had agreed. I hoped he would agree.

Mr. BROOKS. I should like the Record to show that I do not disagree, provided I can see the provision to which I am asked to agree. I have not seen it. I shall be delighted to see what the distinguished chairman of the Committee on Foreign Relations suggests.

Mr. VANDENBERG. I am sure I was not indicating that the Senator had seen it. I confess very frankly to the Senator that I became very downhearted about submitting amendments to the Senator, after submitting the last two.

First, let me say to the able Senator from North Dakota that I do not think this is the process to which Mr. Patterson was referring in the endorsement which the Senator indicated. I also remind the Senator from North Dakota that he himself is the sponsor of a bill which is still pending in our committee. I asked the chairman of the subcommittee today to submit a report as soon as possible. It in my judgment is a far better answer to the general problem than any approach of this nature, because, as I recall, it has as its direct purpose the reduction of postal rates. I think the Senator may still hope for a report on the bill, one of these days.

Mr. President, there simply can be no doubt in the world about the justification for the statement made by the Senator from Illinois that the direct gift packages from the United States represent the finest missionary work that is done for the humane reputation of the great heart of the United States. I agree with him completely on that point. The trouble with his amendment is this: He has himself indicated one or two of the difficulties. First, I would say to the Senator from Oregon that the first lapse in the amendment is the failure to provide transportation—shall we say subsidies—for organized package charities. That is a particularly glaring omission, inasmuch as we provided in the interim aid bill, at the instance of the Senator from New Jersey, I think a figure of \$5,000,000, for transportation charges in connection with organized package gifts abroad. That is not in this amendment.

It will be in the suggestions which I shall presently offer.

Secondly, the amendment as drawn would apply this privilege and subsidy to all participating countries in CEEC. That includes a number of countries which are not to be on an aid basis, which are not even to be on a grant basis, but which are to be either on a strictly cash basis or on a strictly loan basis. I am sure we would not want to extend this privilege, which is in a sense a highly emphasized element of relief, and to make it available to countries which certainly are not on relief, such as Portugal, Switzerland, Ireland, Iceland, and so forth. They would be included, however, in the language of the amendment as offered by the Senator from Illinois.

Thirdly, Mr. President, the Senator's amendment provides the right of free entry for all of the relief packages when they arrive abroad. I think a very strong argument can be made for the right of free entry, but in a very careful examination of the subject, both at the Post Office Department and at the State Department, even I was impressed with the fact that there are almost insurmountable obstacles in the way in trying to get the right of free entry for a flood of innumerable packages, provided we undertake any sort of protection against smuggling. I have made a



very sincere effort, as the Senator from Illinois knows, and have spent 2 days trying to explore the subject. I have done so most sympathetically, and have come to the conclusion that it is not a feasible or practical thing to try to provide free entry for the packages.

Mr. CHAVEZ. Mr. President, will the Senator yield?

Mr. VANDENBERG. I yield to the Senator from New Mexico.

Mr. CHAVEZ. Mr. President, I realize the difficulties which the Senator from Michigan has mentioned, but as a practical proposition, the peoples in Europe want free bacon, free butter, and free flour. Why should they not have free entry of the packages?

Mr. VANDENBERG. I have told the Senate what the difficulty is. It has nothing to do with the attitude of gratitude or otherwise on the part of the European peoples. It is purely a practical question of controlling the entry of commodities free as against the entry of commodities which should not enter.

Mr. CORDON. Mr. President, will the Senator yield?

Mr. VANDENBERG. I yield.

Mr. CORDON. As I read the amendment offered by the distinguished Senator from Illinois, I do not understand that there is any requirement of free entry.

Mr. VANDENBERG. That is correct.

Mr. CORDON. It is a matter of discussion. If it were found that it could be done there might be an agreement.

Mr. VANDENBERG. In fact, it applies to the Senator's entire amendment. The amendment provides at the outset that a certain percentage of the total funds may be employed by the Administrator. The entire proposal is optional. I did not mean to indicate otherwise.

Does the Senator want to ask another question?

Mr. CORDON. The word "may" may be construed to mean "shall." I am inclined to believe it should be so construed to the extent that the funds are necessary for that purpose.

Mr. VANDENBERG. The fourth difficulty with the amendment in the form in which it is submitted by the Senator from Illinois, seems to the proponents of the bill to be the amount of 3 percent. Here, again, the wording is "not to exceed." Yet it is something of an identification. The amount involved, if it were anything like 3 percent of \$5,000,000,000, would be \$150,000,000. So far as we can find from the records, the total value of all of the exports of this character last year was approximately \$150,000,000. So far as I am advised, the transportation cost is approximately 10 percent of the total value. So it would seem that pegging the figure at that point rather exaggerates the expectation of the Congress in connection with what is expected of the Administrator.

Having made that statement, I indicate that the following language could be accepted:

In order to further the efficient use of the United States voluntary contributions for relief in participating countries receiving

assistance under this act in the form of grants—

I interrupt myself there to indicate that that is the point at which we define the countries which are eligible—

funds made available for the purposes of this act may be used—

Without any identification of a figure—funds made available for the purposes of this act may be used in the discretion of the Administrator, and under rules and regulations prescribed by him, to pay ocean freight charges from a United States port to a designated foreign port of entry (1) of supplies donated to, or purchased by, United States voluntary nonprofit relief agencies licensed for operation in Europe, or (2) of relief packages conforming to such specified size, weight, and contents as the Administrator may prescribe originating in the United States and consigned to an individual residing in a participating country receiving assistance under this act in the form of grants, provided that such relief packages have been accepted for shipment by a licensed United States voluntary nonprofit relief agency.

I think I ought to stop at that point, but to show the extent to which I have tried, without too much success, to cooperate with my friend from Illinois, this further language appears in the suggestion which I am offering:

The Administrator may make an agreement with such country for the use of a portion of the deposit of local currency placed in a special account pursuant to paragraph 6 of subsection (b) of section 15 of this act, for the purpose of defraying the transportation cost of such supplies and relief packages from that port of entry of such country to the designated shipping point of consignee.

I am prepared to offer this suggestion to be made a part of the bill, if the amendment submitted by the Senator from Illinois is either withdrawn or rejected.

Mr. CORDON. Mr. President, will the Senator yield?

Mr. VANDENBERG. In just a moment. I think it meets every purpose that my able friend from Illinois has in mind, except the right of free entry. It goes beyond what my able friend from Illinois had in mind, by covering the question of supplies handled by United States voluntary nonprofit relief agencies. I think they are the most important factor of all in the equation.

I now yield to the Senator from Oregon.

Mr. CORDON. I am very much interested in the offer indicated by the distinguished chairman of the Foreign Relations Committee. I would hope we might take his language insofar as it identifies the senders of packages, the recipients of the packages, and the countries in which the recipients reside. I should like to see that language used in lieu of the language in the amendment offered by the Senator from Illinois, down to line 9 on page 2, and that portion of the offered amendment to the effect that the Administrator may discuss with the several countries the matter of entry or the matter of the use of impounded funds for the payment of transportation charges, be eliminated, and the language used by the Senator from Illinois, be-

ginning with line 9 and continuing to line 20, be inserted.

My reason for taking that position is that I should like to have a mandate upon the Administrator that he attempt to obtain free entry. If it cannot be done, very well, but I should like to have the Congress direct him to attempt to do that.

As to the cost of sending the packages, inasmuch as the cost is paid for out of funds which will be impounded for some unknown length of time in the future, and inasmuch as the articles contained in the package are for the benefit of the people of the recipient country, I should like to see the requirement that the money be paid from those impounded funds which, as the Senator from Illinois has said, represent merely the changing of American dollars into the currency of the country in question.

Mr. CHAVEZ obtained the floor.

Mr. LANGER. Mr. President—

Mr. CHAVEZ. I was about to make a statement, and if the Senator from North Dakota is about to make a speech, of course, I do not care to yield.

Mr. LANGER. I wish to ask a question of the chairman of the committee.

Mr. CHAVEZ. I yield for that purpose.

Mr. LANGER. I wonder if the Senator could not modify the amendment in some way so as to include Germany and Austria.

Mr. VANDENBERG. It does include Austria, and does include the American zone in Germany. There is no way to take it beyond the jurisdiction of this group of 16 nations, plus western Germany.

Mr. CHAVEZ. Mr. President, I am in full agreement with the remarks of the Senator from Oregon. I cannot see that the Senator from Michigan made a convincing answer as to why the recipient countries should not be willing to give free entry for things which go to them without cost.

As I understand, the idea of the bill is to help the European countries in several ways to rehabilitate themselves, to take care of the poor, and to take care of people who are hungry, and that is a worthy objective. But if the Senate is justified in giving American taxpayers' dollars to buy food for people who are hungry, I cannot see any reason whatsoever why the recipient countries, which are receiving these things without cost to them, should not be willing at least to cooperate with the American public, the American taxpayer, the American citizen, who in his charity is willing to dig into his pocket to buy bacon, butter, eggs, and whatever else the recipients need to eat, and allow the goods to be received free of entry charge.

On the 15th of March the average citizen pays his taxes. It is expected that our citizens shall pay their proportionate share of taxes and then pay duty on the articles they send to individuals in foreign countries? I think that would be going a little too far.

I hope the suggestion made by the Senator from Oregon and the Senator from Illinois will be accepted.



The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Illinois [Mr. BROOKS]. [Putting the question.] The "noes" appear to have it—

Mr. WHERRY. I ask for a division.

The PRESIDING OFFICER. All those in favor of the amendment of the Senator from Illinois will rise and remain standing until counted. [Counting.] Those opposed to the amendment will rise. [Counting.] The result is a tie.

Mr. VANDENBERG. I ask for the yeas and nays.

The yeas and nays were ordered; the legislative clerk proceeded to call the roll, and Mr. BALDWIN voted in the affirmative when his name was called.

Mr. PEPPER. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. PEPPER. I thought that when there was a tie vote the question failed.

The PRESIDING OFFICER. The Senator is correct.

Mr. WHERRY. Mr. President, the yeas and nays were ordered, and are we not now in process of taking the yeas and nays?

The PRESIDING OFFICER. The yeas and nays must proceed unless by unanimous consent they are halted.

The legislative clerk resumed calling the roll, and Mr. BALL voted in the affirmative when his name was called.

Mr. CORDON. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. CORDON. If the amendment now being voted on should be defeated, would it be in order, under the rules, to offer an amendment, for example, such as that indicated by the senior Senator from Michigan?

Mr. WILSON. Mr. President—

The PRESIDING OFFICER. In the opinion of the Chair, after the pending amendment is disposed of, any other amendment will be in order, if materially changed.

Mr. CORDON. Even though it is of the same general tenor?

Mr. WILSON. Mr. President, I make the point of order that in the progress of a roll call the question of the Senator from Oregon is out of order.

The PRESIDING OFFICER. The clerk will continue the call of the roll.

The legislative clerk resumed and concluded the calling of the roll.

Mr. GREEN. I announce that my colleague, the Senator from Rhode Island [Mr. McGRATH] is absent, presiding over a meeting of the Democratic National Committee, and if present would vote "nay."

Mr. WHERRY. I announce that the Senator from New Hampshire [Mr. BRIDGES] is detained on official committee business.

The Senator from South Dakota [Mr. BUSHFIELD], the Senator from Vermont [Mr. FLANDERS], the Senator from Pennsylvania [Mr. MARTIN], the Senator from Nevada [Mr. MALONE], the Senator from Wisconsin [Mr. MCCARTHY], the Senator from Oklahoma [Mr. MOORE], and the

Senator from Oregon [Mr. MORSE] are necessarily absent. If present and voting, the Senator from South Dakota [Mr. BUSHFIELD], the Senator from Pennsylvania [Mr. MARTIN], and the Senator from Oregon [Mr. MORSE] would vote "nay." The Senator from Vermont [Mr. FLANDERS], and the Senator from Nevada [Mr. MALONE], if present and voting, would vote "yea."

The Senator from Missouri [Mr. DONNELL] is absent by leave of the Senate.

The Senator from Maine [Mr. WHITE] is absent because of illness.

The Senator from North Dakota [Mr. YOUNG] is absent by leave of the Senate.

Mr. LUCAS. I announce that the Senator from Arkansas [Mr. FULBRIGHT] and the Senator from Maryland [Mr. TYDINGS] are absent because of illness.

The Senator from California [Mr. DOWNEY], the Senator from New Mexico [Mr. HATCH], the Senator from Arizona [Mr. HAYDEN], the Senator from Alabama [Mr. HILL], the Senator from Washington [Mr. MAGNUSON], the Senator from Texas [Mr. O'DANIEL], the Senator from Utah [Mr. THOMAS], and the Senator from New York [Mr. WAGNER] are necessarily absent.

The Senator from Connecticut [Mr. McMAHON] is absent on public business.

The Senator from Virginia [Mr. ROBERTSON] is absent on official business. If present he would vote "yea."

I announce further that if present and voting, the Senator from California [Mr. DOWNEY], the Senator from Arkansas [Mr. FULBRIGHT], the Senator from New Mexico [Mr. HATCH], the Senator from Arizona [Mr. HAYDEN], the Senator from Alabama [Mr. HILL], the Senator from Washington [Mr. MAGNUSON], the Senator from Virginia [Mr. ROBERTSON], the Senator from Utah [Mr. THOMAS], the Senator from Maryland [Mr. TYDINGS], and the Senator from New York [Mr. WAGNER] would vote "nay."

The result was announced, yeas 34, nays 38, as follows:

#### YEAS—34

Baldwin	Dworshak	Overton
Ball	Ecton	Reed
Brewster	Hawkes	Revercomb
Bricker	Jenner	Robertson, Wyo.
Brooks	Johnson, Colo.	Stennis
Buck	Johnston, S. C.	Taft
Butler	Kem	Watkins
Byrd	Langer	Wherry
Cain	McClellan	Williams
Capehart	McFarland	Wilson
Chavez	Maybank	
Cooper	Millikin	

#### NAYS—38

Aiken	Holland	Russell
Barkley	Ives	Saltonstall
Capper	Kilgore	Smith
Connally	Knowland	Sparkman
Cordon	Lodge	Stewart
Eastland	Lucas	Taylor
Ellender	McCarran	Thomas, Okla.
Ferguson	McKellar	Thye
George	Murray	Tobey
Green	Myers	Umstead
Gurney	O'Connor	Vandenberg
Hickenlooper	O'Mahoney	Wiley
Hoey	Pepper	

#### NOT VOTING—24

Bridges	Hill	Morse
Bushfield	McCarthy	O'Daniel
Donnell	McGrath	Robertson, Va.
Downey	McMahon	Thomas, Utah
Flanders	Magnuson	Tydings
Fulbright	Malone	Wagner
Hatch	Martin	White
Hayden	Moore	Young

So Mr. BROOKS' amendment was rejected.

The PRESIDING OFFICER. The bill is open to further amendment.

Mr. BROOKS. Mr. President, during the previous discussion the distinguished chairman of the Foreign Relations Committee submitted substitute language for the amendment I had offered. I understand that as soon as he confers further about the language it will be offered to the Senate as an amendment.

Mr. VANDENBERG. The Senator is correct.

Mr. BROOKS. Instead of calling up my amendment B and taking the time of the Senate, after having conferred with the distinguished chairman of the Foreign Relations Committee, I offer the following amendment in lieu thereof: On page 13, section 9 (b), line 8, after the word "mission", I propose to insert the following: "and the United States Special Representative in Europe."

Mr. VANDENBERG. Mr. President, I have no objection to the amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Illinois.

The amendment was agreed to.

Mr. COOPER. Mr. President, I offer an amendment which now lies on the table and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. On page 9, between lines 5 and 6, it is proposed to insert the following new subsection:

(c) The Administrator and the department, agency, or officer in the executive branch of the Government exercising the authority granted to the President by section 6 of the act of July 2, 1940 (54 Stat. 714), as amended, shall keep each other fully and currently informed on matters, including prospective action, arising within the scope of their respective duties which are pertinent to the duties of the other. Whenever the Administrator believes that any action, proposed action, or failure to act on the part of such department, agency, or officer is inconsistent with the purposes and provisions of this act, he shall consult with such department, agency, or officer and, if differences of view are not adjusted by consultation, the matter shall be referred to the President for final decision.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Kentucky.

Mr. COOPER. Mr. President, the amendment which I have submitted has two purposes. The first is procedural and is designed to avoid, as far as possible, any disagreement between the Administrator of the European recovery program and the delegate of the President's power to control exports. Under the provisions of Public Law 395, which became effective December 30, 1947, the power of the President to control exports was extended to February 28, 1949, and he was authorized to delegate his power. He did delegate his power, by Executive order, to the Secretary of Commerce. Under the delegation of authority, the Secretary of Commerce has power to determine whether or not a commodity



shall be exported, the volume in which it shall be exported, to designate the countries to which it may be exported, and to fix quantities for the designated countries. This power extends to the 16 countries participating in this program. It follows that he could deny or limit exports proposed by the Administrator.

I do not mean to say that the present Secretary of Commerce would arbitrarily use this power. We know of his interest in the success of the recovery program. Nevertheless, he is charged by law with the operation of the Export Control Act under policies declared in the act which are more extensive than the policy which underlies this program. It is his duty to take into consideration the entire foreign policy of our country, the maintenance of trade relations with other countries throughout the world, the needs of our occupied areas, the protection of the domestic economy, and it is entirely possible that there might be disagreements. My amendment seeks to avoid disagreement by providing that each shall confer with the other on matters which are pertinent to the duties of the other, and that in the event of a disagreement the matter shall be referred to the President for settlement. It is similar to the provision in section 5 (b) (2), which provides for conciliation of differences between the Secretary of State and the Administrator.

Before I close I should like to invite the attention of the Senate to one other subject. If this measure is as important as we say it is and believe it to be, export of commodities to the 16 participating countries and to other countries which give assistance should have priority in the export program.

A great many people believe that the shortages, high prices, and inflation under which we suffer have been caused in large degree by exports to war-devastated countries. Such is not the case, for these are not the greatest part of the exports which have been going to every section of the world. The most recent report of the Secretary of Commerce shows that of the total exports of critical commodities in 1947, only 30 percent of the steel-mill products, 8.9 percent of iron and steel scrap, 50.5 percent of solid fuels, 40 percent of liquid-petroleum products, and 60 percent of grains went to the war-devastated countries of western Europe. The remainder was scattered throughout the world.

It is necessary that the regular channels of trade to other countries be kept open, that provisions for occupied areas be made. But, if this program is as important as we say it is, priority should be given to exports to the 16 participating countries. It is my opinion that the diffusion of exports throughout the world, without priority, arises from a division of authority and failure to fit responsibility in the export-control program. The Department of Commerce controls industrial exports, the Department of Agriculture, food, and various committees wrestle with the problem. I do not believe that we will have any great success in the control of exports, in the protection of the domestic economy, and in giving priority to those areas which are most important to our policies,

until statutory provision is made for the appointment of an Administrator of Exports, to be confirmed by the Senate, who will consider the program as a whole. This amendment will not give priority to the needs of the 16 participating countries, but it will give the Administrator the opportunity to present his views at the earliest opportunity, to reach an early decision upon disagreement, and perhaps to that extent he will receive in practice, the priority which this program deserves.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Kentucky [Mr. COOPER].

Mr. VANDENBERG. Mr. President, it is my understanding that the net effect of this amendment is simply to provide that the President shall be the umpire in disputes between the Secretary of Commerce and the Administrator regarding export problems. I think it is entirely appropriate, and I have no objection.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Kentucky [Mr. COOPER].

The amendment was agreed to.

Mr. BREWSTER. Mr. President, I offer the amendment, which I send to the desk and ask to have stated.

The PRESIDING OFFICER. The amendment offered by the Senator from Maine will be stated.

The CHIEF CLERK. On page 32, it is proposed to strike out line 21 and insert in lieu thereof the words "Other Duties of the Administrator."

On page 32, line 22, after "Sec. 16", it is proposed to insert "(a)."

On page 33, after line 4, it is proposed to insert:

(b) The Administrator, in cooperation with the Secretary of Commerce, shall facilitate and encourage, through private and public travel, transport, and other agencies, the promotion and development of travel by citizens of the United States to and within participating countries.

Mr. BREWSTER. Mr. President, this amendment proceeds on the assumption that we may perhaps have a period of peace. I think it is well to consider at least that possibility.

Second, it recognizes that in the report of the European committee it is estimated that more than \$2,000,000,000 would be spent in Europe in travel, and that that would be the greatest single contribution to placing Europe on a going basis. That is help which America may extend both in its own interest and in the interest of those countries. The Harriman committee estimated that this help would amount to more than \$3,000,000,000. So I think it may be well to make this gesture, at least, to instruct the Administrator to encourage one of the most productive means of recapturing some portion of our investment. I am sure that as time goes on it will come to be recognized as a very great contributing factor.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Maine [Mr. BREWSTER].

Mr. VANDENBERG. Mr. President, I have no objection to the amendment.

The amendment was agreed to.

Mr. BREWSTER. Mr. President, I ask that at the conclusion of my remarks there be included a statement which I made before the Committee on Foreign Relations; also a more extended statement which I prepared at the suggestion of the Senator from Michigan, Chairman of the committee, but which, through inadvertence, was not incorporated in the record of the hearings.

There being no objection, the statements were ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR BREWSTER TO COMMITTEE ON FOREIGN RELATIONS

I am submitting an amendment which directs the Administrator to facilitate and encourage the promotion of travel by United States citizens to and within the participating countries.

The great importance of the travel factor in the recovery of the participating countries is too little appreciated. The Technical Committee of these nations has calculated that travel by tourists will yield approximately \$2,011,000,000 within the next 4 years. I think that there will be very little disagreement with the opinion that this figure has been very conservatively estimated.

Tourist dollars are the most efficient currency. Eighty-five cents of every dollar spent by an American tourist remains behind since it is spent on services and visits to historic monuments and cultural institutions, which by their very nature cannot be depleted and of which European countries have a great abundance.

One of the chief problems in Europe is the shortage of goods, from which stems a shortage of dollars. Therefore, the encouragement of travel better than any other method, will make it possible for the countries participating in the ECA to increase their stocks of efficient currency without at the same time depleting their stocks of commodities.

The Department of Commerce estimates that on the basis of a national income of approximately \$180,000,000,000, \$645,000,000 will be carried into the western Europe and Mediterranean areas by American tourists annually. This figure is larger than the estimate made by the participating nations.

The Department has based its estimates upon the travel pattern in the years before the war. It does not take into consideration such factors as the GI's interest in returning to visit the friends he made when he was in this area during the war nor the time saving factor which the airplane brings into this situation.

The Bureau of Labor Statistics advises that 86 percent of all persons engaged in American industry enjoy paid vacations. These studies disclose that 56 percent receive 8 days to 2 weeks annually, that only approximately 5 percent are eligible for paid vacations in excess of 2 weeks. With such limited time in which to enjoy a holiday very few of these people could in the past hope to go abroad. Now, however, it is possible for them to board a plane in the afternoon of one day and arrive in London the next morning, giving them virtually their entire holiday overseas. With encouragement and an effort on the part of Government to eliminate travel barriers, the \$2,011,000,000 which the participating countries expect can be expanded into \$4,000,000,000 or more. That is by no means a minor consideration in the problem which we are at this time considering.

Travel should be encouraged because of its social effect.

Charles Lamb wisely said: "Do not introduce me to that man because I could no



longer hate him." That comment points up very well the effect of becoming acquainted. Anything we can do to encourage an interchange of visits between our people and the people of the participating nations would be wonderfully effective in laying a sound foundation for future peace and good will on the earth.

FEBRUARY 7, 1948.

HON. ARTHUR H. VANDENBERG,  
Chairman, Senate Foreign Relations  
Committee, Washington, D. C.

MY DEAR SENATOR: Confirming our conversation, I am happy to amplify our discussion for the record of your committee on the significance of travel in the European recovery program.

Very little has been said in the discussions before your committee on this point, although the general report of the Committee of European Economic Cooperation states: "Tourism is one of the invisible exports upon which participating countries will increasingly rely as a means of balancing their accounts with the rest of the world. In this field," says the report, "as in that of trade, the relaxation of restrictions would be of assistance toward the main objective."

The tourist industry in England and on the Continent feels that the CEEC did not go nearly far enough in stressing the significance of travel, because, as they point out, the travel industry is one of the most important industries in those countries and should be one of the very first to receive recovery aid.

The world today and its member nations, including the United States, are faced with two major and crucial issues: Developing a healthy interlocking economy, and maintaining the peace, the former being the direct objective of the Marshall plan and the latter being the indirect. Encouragement of travel by these nations, and especially by the United States, I am convinced, will contribute toward the attainment of both objectives. Travel by Americans in foreign countries will help deliver to them a continuous diet of dollars, of which there is a dangerous deficiency. It will also establish a mutual appreciation of cultural and scientific contributions, from which will stem a better understanding with the resultant strengthening of ties which makes for continued peace.

If it is true that dollars and mutual understanding will tend to produce a fair solution to the problems of this postwar world, then travel will do much to help bring about that solution. While your committee has freed itself from considering a definite sum of money to be spent, the fact is recognized that whether that sum is going to be five or twenty-five billion dollars, the expenditure of large sums will be necessary. Travel can supply a substantial portion of that sum, thus releasing much of the pressure upon the United States Treasury and taxpayers. Every dollar spent by an American tourist is a dollar saved to the American taxpayer. Furthermore, every dollar spent by our travelers is a dollar spent for insurance on our investment in their recovery and a powerful factor in hastening full rehabilitation.

It is coming to be recognized that the expenditure for travel is the most efficient way to deliver dollars to countries in need of them. Tourists take very little in actual goods out of the countries they visit, leaving a very large percentage of their money behind, most of it spent on services and visits to historical monuments and institutions which by their nature cannot be depleted and of which foreign countries have an abundance. Lord Hacking of the British Travel Association says that 85 percent of the tourist dollar spent in Britain stays there to benefit their general economy.

If it were not for the fact that the participating countries are short of goods, short to the extent that their own immediate needs cannot be satisfied, the problem of acquiring

and accumulating dollar reserves would not be so severe. They would merely draw upon their surplus manufactures for export for which they would be paid in dollars. The problem, therefore, is a shortage of goods, from which stems a shortage of efficient currency. Travel better than any other means will make it possible for those countries to increase their dollar stocks without at the same time depleting their already meager stocks of goods.

As chairman of a Subcommittee on Travel holding hearings last spring on a resolution to study means for eliminating or relaxing barriers to foreign travel, strong evidence was introduced showing the necessity for broadening our national perspective and making it easy for our citizens to travel to other countries. Spokesmen from Government, air lines, steamship companies, the Pan American Union, and others urged the importance of the travel industry in international economy. Now the Marshall plan comes along to emphasize the necessity for and the problem of getting dollars into Europe. Travel has always been an important factor in international trade. Before the war Americans took with them hundreds of millions of dollars to foreign countries.

Statistical studies by the Department of Commerce show that approximately \$8,000,000,000 were spent on foreign travel by Americans over the 20-year period 1919-39, an annual average of \$400,000,000. In a single year, 1929, almost \$700,000,000 was so spent. Our national income for 1929 was \$87,400,000,000.

The special significance of these figures is that they establish foreign travel, an invisible import, as larger than any single imported commodity. The sum spent on travel was almost twice as large as that spent for sugar—the largest import during the 1919-39 period, and considerably more than twice as large as the amount spent for any other items. Travel, therefore, is a vitally important item in our international balance of payments and deserves greater attention than it has had in the past—more particularly because it is the item capable of almost unlimited expansion.

The Secretary of Commerce, testifying on Senate Resolution 111 in June 1947, estimated that on a national income of between \$150,000,000,000 to \$200,000,000,000 the travel item would become \$1,200,000,000 to \$1,600,000,000.

These estimates are admittedly very conservative. They are based on the pattern which existed before the war and do not account for the GI interest in returning to visit friends he made during the war, nor the technological developments in air transportation.

Assuming our national income should double, it is certain that travel expenditures by Americans would more than double for our tourists would purchase many more things overseas, due to shortages at home. Such purchasing has a definite anti-inflationary effect.

I think the time-saving factor which air travel affords will tremendously expand the overseas movement of American tourists. Now a man who has only a 2-week vacation can reach London or Paris overnight and spend his entire holiday in Europe.

At a conference in Brussels during an aerial survey of conditions in Europe last November and December there was every evidence of an awakening on the part of the British, the French, the Swiss, the Norwegians, and the Swedes, to the importance of the tourist dollar. This awakening was also confirmed in discussions with officials of the British Tourist Association. The British, in particular, are extending themselves to provide accommodations for tourists this summer.

Mr. Ernest W. Wimble, General Manager of the British Workers Travel Association, tells me that arrangements will be made

this summer to extend the same accommodations to United States tourists as are available to British workers which provide tours to every corner of the British Isles for \$50 a week, including transportation, bed, and board. With the recent devaluation of the franc, France promises to attract many an American this summer.

Transportation, however, seems likely to be a considerable stumbling block to a wholesale tourist movement of Americans to Europe this summer. The facilities of the American merchant marine are far below those available before the war. We have in fact only two first-class vessels plying the North Atlantic capable of carrying important numbers, the U. S. Lines' *America* and the *Washington*. These two boats carry a total of 2,157 passengers on a sailing. The American Export Lines operate a vessel on the North Atlantic which accommodates 504 passengers. Thus, the total capacity on United States merchant marine vessels for North Atlantic crossings is only 2,661 persons a round trip. Assuming 10 crossings during the season, they will care for only 26,610 persons.

Our merchant marine has fallen into a sad state and unless it gets considerable aid may well find itself gradually getting worse. In 1939, 31 American shipping companies operated 127 passenger vessels with gross tonnage of 980,000 capable of accommodating 38,000 passengers. Today only 14 American companies are in operation with 50 passenger vessels of 401,000 gross tons and passenger capacity of 13,703 persons.

The Maritime Commission is planning the operation of 10 vessels of the Army transport type this summer, but their capacity is only 600 persons per ship on a crossing. These boats are operated by agency companies (U. S. Lines to north Europe and American Export Lines to the Mediterranean) under the supervision of the State Department. Cost of round-trip passage to London ranges from \$234 for males who use troop quarters type accommodations to \$350 for women housed in staterooms and dormitories 6 to 24 in a room.

A survey of the potentials for 1948 indicates that approximately 375,000 persons can be accommodated this year by combined United States- and foreign-flag lines against a demand of 450,000. Many Americans who have the means and the desire to travel to Europe feel that their presence in countries where people are suffering from food and other shortages would only aggravate an already bad situation. The facts, however, in this respect are somewhat anomalous in that the dollars they spend in those countries enable them readily to replace the food and to purchase many other items badly needed to produce the things they in turn can sell. Actually the amount of exchange created by tourists is immense in relation to the significant part of the total food supply they will consume.

Air transport promises a brighter prospect and except for the high rates our scheduled carriers are obliged to charge for an Atlantic crossing under the ICAO agreements, tremendous impetus would be given this year to demand for flights to Europe. Trends have been observed by people in the travel industry indicating that luxury travel will cling to the steamship while the economy minded will go by air.

The statisticians in the Office of Business Economics in the Department of Commerce have broken down the over-all estimates of \$1,200,000,000 to \$1,600,000,000 for foreign travel on a national income of 150 to 200 billion dollars. Taking \$180,000,000,000 as the assumed national income, they estimate \$645,000,000 will be spent in Europe and the Mediterranean.

These calculations again are based on the travel pattern as we knew it before the war, and in my judgment greatly underestimate



the volume of tourist traffic, once transportation facilities are adequate. The time-saving factor in air travel and the virtual certainty that rates of fare will be greatly reduced in the near future convince me that we may safely raise the Commerce Department's estimates of tourist travel to Europe and the Mediterranean to at least a billion dollars.

Thus, in the 4-year period which the proponents of the Marshall plan regard as the time required to rehabilitate the 16 participating nations, travel potentially could contribute four billion directly into the economies of those nations if the necessary steps are taken to encourage it, i. e., (1) elimination of barriers, (2) development of transport facilities, (3) lowering costs, and (4) full cooperation by the beneficiary nations. And those dollars will immediately reach into the grass roots of the economies of those countries, thus generating greater business confidence there than any other kind of dollar could do. The investment we make, therefore, in their recovery by direct grants and loans will be greatly protected and all will be the happier.

The fundamental thesis of the whole program is to help Europe help itself. Nothing could possibly render greater aid on this basis than to help stimulate a large tourist movement into Europe and the Mediterranean. By encouraging a vigorous tourist movement to the Marshall plan countries we make it possible for them to earn the dollars they need so desperately, and on a thoroughly self-respecting basis.

To that end, it is to be hoped that the importance of travel will be recognized in all appropriate ways, both in the legislation on, and the administration of, the European recovery program.

Cordially yours,

OWEN BREWSTER,  
United States Senator.

The PRESIDING OFFICER. The bill is open to further amendment.

Mr. WHERRY. Mr. President, I shall be perfectly willing to yield to any Senator who would like to have the floor at this time for any purpose. Otherwise, this apparently concludes all the amendments which can be considered today. There are about four or five amendments which will be ready for consideration tomorrow. The Senator from Connecticut [Mr. McMAHON] was compelled to be absent today because of the funeral of the Governor of Connecticut. He will be present tomorrow.

One or two amendments are being drafted, having to do with the procurement of commodities for transportation overseas. Those amendments are not yet ready for consideration.

There are three or four amendments involving off-shore purchases and reduction of amounts, which will be ready for consideration tomorrow.

Mr. PEPPER. Mr. President, will the Senator yield?

Mr. WHERRY. I yield.

Mr. PEPPER. May I address an inquiry to the Senator from Michigan before we take a recess? Will the Senator be good enough to tell me what is the present status of our contribution to the International Children's Relief Fund?

Mr. VANDENBERG. Mr. President, I think the Senator from New Jersey [Mr. SMITH] can respond to that inquiry more accurately than I can, inasmuch as he handled that portion of the legislation.

Mr. SMITH. Mr. President, as I understand, we are still trying to raise our participating share in the \$50,000,000 fund originally contemplated. We are to raise a certain part, and the other nations a certain part.

Mr. PEPPER. I should like to ask two questions: First, what is the total which has been appropriated by all who are to take part in the contribution? Second, how much have we contributed, and how much are we presently committed to contribute?

Mr. SMITH. I cannot give the exact figures, but the total appropriation was \$50,000,000 for this year, as I understand.

Mr. PEPPER. Is that our contribution?

Mr. SMITH. No; that is the entire amount of the International Children's Relief Fund, under the United Nations. Our share was approximately 50 percent, or, roughly, \$25,000,000, of which I think we have contributed about \$15,000,000. We will pay the remainder when the other participating countries have come in. I am speaking from memory, after a conference which I attended a few days ago in an effort to get things straightened out in my own mind.

Mr. PEPPER. Was that for the fiscal year 1948?

Mr. SMITH. That was for the fiscal year. An attempt is now being made to have the legislation continued, but with a figure of \$100,000,000 for the next fiscal year. That is the latest information which I have received. It is not official.

Mr. PEPPER. Does the \$100,000,000 represent the contribution of all countries participating? Is that the total fund?

Mr. SMITH. That is my understanding—on a matching basis.

Mr. PEPPER. Can the Senator tell me what our proportion of the \$100,000,000 will be?

Mr. SMITH. The percentages are the same as they have been in the past. Our share will be approximately 50 percent. I cannot say exactly. I shall be glad to obtain the information for the Senator, because I know those who are dealing with this question. I am simply giving from memory what I have been told recently.

Mr. SALTONSTALL. Mr. President, may I ask the acting majority leader the plans with relation to a Saturday session—whether that is a reasonable certainty, or whether it is still in the air?

Mr. WHERRY. It is reasonably certain if it meets with the approval of the Senate. If the pending legislation is not concluded in the night session tomorrow night there will be a Saturday session. Our intention is to go straight through, taking up the amendments and voting them up or down, with the hope of concluding consideration of the bill as soon as possible. If the bill is not concluded on Friday night, as announced earlier in the week, there will be a Saturday session.

We have a very full day planned for tomorrow. Depending upon the debate and the number of amendments which are offered, it is our intention, if it meets

with the approval of the Senate, to continue tomorrow and tomorrow night, and Saturday if necessary.

Mr. BALL. Mr. President, will the Senator yield?

Mr. WHERRY. I yield.

Mr. BALL. I think it might be wise to serve notice on the Senate also that since we plan to finish with ERP this week, I propose to try to take up Reorganization Plan No. 1 on Monday. I think we can agree on a limitation of debate to about 4 hours, or perhaps less, on that measure.

Mr. WHERRY. My understanding is that an agreement has already been made. A motion to proceed to the consideration of Reorganization Plan No. 1 would be a privileged motion. There was some question as to whether it would be taken up on Monday. I am glad that the Senator has made the announcement.

Mr. BALL. I thank the Senator.

RECESS

Mr. WHERRY. Mr. President, there is no object in keeping the Senate in session any longer today, and I now move that the Senate take a recess until tomorrow at noon.

The motion was agreed to; and (at 6 o'clock and 30 minutes p. m.) the Senate took a recess until tomorrow, Friday, March 12, 1948, at 12 o'clock meridian.

## HOUSE OF REPRESENTATIVES

THURSDAY, MARCH 11, 1948

The House met at 11 o'clock a. m.

Dr. Ewart H. Wyle, First Christian Church, Tyler, Tex., offered the following prayer:

Almighty God, Father of all mankind, we come to Thee because we acknowledge our weakness and our sense of need. The responsibilities which we carry are beyond the strength of human shoulders. But Thou hast a strength sufficient for our every need.

We are Thy children, often confused by the complications of a trying hour, often blinded by our own little desires. Forgive us, we beseech Thee, our many mistakes, both of omission and commission.

Thou hast created heaven and earth. Thou hast made order in a universe so complex that our little minds cannot conceive of its greatness. Thou hast made the mind of man that has achieved incredible things in these days. So often we rely upon these creations of our own hands and forget that Thou hast graciously shared Thyself with us through the medium of great accomplishments.

For those whom the people of this free land have honored with positions of trust, especially the Members of this House of Representatives, we pray this day. Give to them the wisdom and the courage to measure up to their responsibilities to their God and to their fellow men.

Grant us a sense of Thine own greatness and nearness, that from the complex offerings of life we may be big enough to choose the highest and the best.